FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
No. 29,001 Wednesday February 16 1983 D 8523 B

Australia's poll: the problem that won't go away, P. 12

NEWS SUMMARY

GENERAL

Argentine officials face probe

Argentina's military Government has pledged its backing for a series of investigations into alleged corruption by officials since 1976.

This is part of a policy agreement reached by President Reynaldo Bignone and the junta, which covers the pledge to hold elections by the end of the year.

The agreement seems to have checked the threat of a major split between the armed forces and the politicians, and made less likely the possibility of a major Cabinet reshuffle, though ministerial changes are still thought possible. **Page 4**

Polish pledge

Poland's rulers pledged to consult the new plant-level trade unions, set up to replace Solidarity, on broad economic and social policy. But they will not allow a national union structure earlier than 1985. **Page 3**

Death tolls mount

Deaths in election campaign violence in Assam rose to 272 in two weeks, said United News of India. In Dacca, Bangladesh, two days of battles between police and students brought five deaths.

Mafia arms seized

Italian police seized a shipment of arms believed to be sent from U.S. Mafia members to underground gangs in Italy.

Heart-lung implant

Doctors in a Munich clinic completed West Germany's first heart-lung transplant. They said the eight-hour operation was a success.

Stereo ban sought

Dutch Socialist Wim Albers has asked the European Parliament to ban drivers from wearing stereo headphones on the grounds of road safety.

Heart man better

Artificial heart recipient Dr Barney Clark has been moved out of intensive care in Salt Lake City, and his condition upgraded from "serious" to "fair".

Soviet buoy found

Norway has recovered a Soviet buoy in the North Sea that contained listening equipment, possibly for monitoring oilfield activities.

Fraser's new policy

Australian Premier Malcolm Fraser said tougher rules to combat union unrest would be a major policy item in Liberal Party policy for the March 5 general election. **Page 6**

No number, no job

An Iranian who was offered a job was disqualified because he failed to guess the identity card of Ayatollah Rubollah Khomeini, the country's leader, it was revealed in an official newspaper.

Carnival gun blast

Television viewers saw a policeman spray a Haiti carnival float with machine gun fire when a band leader ignored an order to keep moving past the cameras. Apparently there were no injuries – spectators dived to the ground or fled.

Briefly . . .

Turin police say electrical failure or a dropped cigarette were the likeliest causes of the Sunday cinema fire that killed 64.

Spanish civil servants, including diplomats, lawyers and doctors, started a pay strike.

British artist David Hockney won the Hamburg Foundation's DM 25,000 ($10,000) Shakespeare Prize.

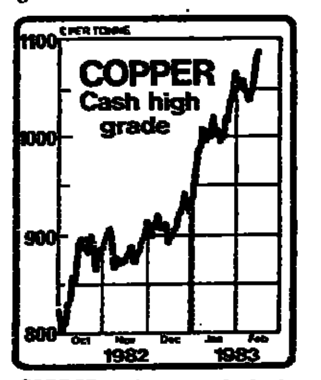
BUSINESS

S. Africa prime rate cut to 16%

● **SOUTH AFRICAN banks are cutting their prime lending rate from 17 to 16 per cent, nine days after the Government lifted exchange controls on non-residents in an attempt to reduce domestic liquidity. Page 14**

● **DOLLAR lost ground on renewed hopes of a U.S. discount rate cut. It fell to DM 2.4065 (from DM 2.4155), FFr 6.825 (FFr 6.8425), SwFr 1.994 (SwFr 2.0085) and Y233.75 (Y235). Its Bank of England trade-weighted index fell from 119.5 to 118.7. Page 34**

● **STERLING gained 30 points to $1.5415, but eased to DM 3.7125 (DM 3.72), FFr 10.52 (FFr 10.53), SwFr 3.075 (SwFr 3.0925), and Y360.5 (Y361.75). Its trade-weighting rose from 80.7 to 80.8. In New York the pound closed at $1.5427. Page 34**



● **COPPER prices reached their highest levels for nearly three years in London, with the high-grade cash price £12 up at £1098 ($1678.7). Page 31**

● **GOLD rose $5.25 in London to $507.5. In Frankfurt it went up $9.50 to $511, and in Zurich by $9 to $509.5. In New York the Comex February settlement was $505.8 ($508.4). Page 31**

● **WALL STREET: Dow Jones closed down 4.0 at 1093.10. Page 27. Full share listings, Pages 28–30**

● **LONDON: FT Industrial Ordinary index gained 1.2 to 661.9. Government Securities showed gains averaging about 0.7 per cent. Page 27. FT Share Information Service, Pages 32, 33**

● **TOKYO: Nikkei Dow index edged up 3.4 to 8135.42. Stock Exchange index edged down. Pages 27, 30**

● **HONG KONG: Closed, holiday**

● **AUSTRALIAN all-shares index slipped by 0.9 to 514. Pages 27, 30**

● **FRANKFURT: Commerzbank index closed at 779.9, up 0.8 from Friday. Pages 27, 30**

● **BNOC (British National Oil Corporation) expects to recommend new UK prices on Friday. Industry forecasts cuts of up to $3.50 a barrel, followed by Opec cuts of $4.**

● **NORTHROP,** U.S. aerospace group, reported net fourth-quarter earnings of $12.8m against $17.1m and net for the year of $5.4m ($47.9m), attributing the fall largely to costs of developing the F-20 Tigershark jet fighter.

● **ISRAEL'S** cost-of-living index rose 8.5 per cent in January, a record for the month.

● **ITT** has asked the U.S. federal court, which must approve of the reorganisation and investiture plan of its bigger rival AT & T, to award it the right to use the name Bell, its symbol and trademarks. **Page 14**

● **INI,** the Spanish state holding company, has estimated losses of Ptas 90bn (nearly $700m) for 1982, 10 per cent less than in 1981. **Page 3**

● **FIRST TENNESSEE** National Corporation has been named to buy the United American Bank of Knoxville, declared insolvent. **Page 14**

● **ARCO,** U.S. oil company, says Norway's Saga Petroleum has hired too-costly drilling rig for a shared arrangement in a North Sea block in which they have stakes. **Page 3**

Mexico calls for bridging finance in $5bn aid delay

BY PETER MONTAGNON IN LONDON AND WILLIAM CHISLETT IN MEXICO CITY

Mexico is seeking a large bridging loan from the 13-bank advisory group that has been spearheading negotiations on rescheduling $19.7bn of its $80bn foreign debt, due to delays in completing the proposed $5bn loan from Western commercial banks.

The request will be discussed by the advisory group later in the week. Sr Angel Gurria, Mexico's Director of Public Credit, said yesterday he was confident that a bridging loan of $400m to $500m would be arranged.

The disclosure of Mexico's request came as something of an embarrassment to some advisory group members. They feared it might lead to a further loss of confidence in Mexico by appearing to underscore the precariousness of the country's external finances, so it had been planned to keep any operation secret.

One banker in New York said yesterday that the Mexican request was legitimate because it had planned to complete the $5bn term loan at the start of January. "It is a tribute to their management that they have been able to carry on for so long without this money."

Mexico still hopes to sign the $5bn credit at the end of the month with a first tranche of $1.7bn being drawn very quickly afterwards.

The loan has been delayed for three main reasons – the very complex job of drawing up the 150-page legal documentation, continuing uncertainties over Mexico's willingness to take some responsibility for its $14bn private-sector debt and the uphill struggle to reach the $5bn target for commitments from the country's 1,400 creditor banks.

Nigeria is in early discussions with its foreign bankers for a club Eurocredit of about $1bn to repay part of its $3bn trade arrears, Reuter reports from London.

Commitments to the loan now stand at $4.825bn. Bankers admit that it has become a difficult task to raise the balance from smaller and smaller banks, but they are determined to do so under a formula yet to be agreed between the Mexican authorities and the leading banks.

A further step forward over the past week has been a firm commitment from Mexico to provide foreign exchange to cover principal repayments on loans outstanding to private sector companies which agree to reschedule them along approved lines.

This commitment is expected to be telexed shortly to all creditor banks in the hope that it will satisfy those, estimated at about a quarter, whose contributions to the $5bn credit are contingent on satisfactory arrangements being made for the private sector.

If granted, the bridging loan would be provided by the advisory committee banks at roughly the same interest rate as that foreseen for the six-year, $5bn credit that will bear a margin of 2¼ per cent over Eurodollars or 2⅛ per cent over the U.S. prime rate. It would be repaid out of the $5bn credit.

Commercial bank participation in the $5bn credit has been urged by the International Monetary Fund as a vital contribution to Mexico's economic recovery plan.

For this year, Mexico has drawn up a highly intricate set of cash-flow forecasts.

Mexico, however, was still able last week to pay a first $60m instalment of interest payments due from the private sector but missed since its liquidity crisis broke last August.

International capital markets, Page 26

UK industrial output lowest since 1967

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

MANUFACTURING production in the UK fell to its lowest level since 1967 last year, according to the latest official figures, released yesterday.

These showed that the average level of manufacturing output in 1982 was 1.2 per cent lower than in 1981 and 15 per cent below its level at the peak of the present economic cycle, in 1979.

The figures, which confirm the gloomy outlook suggested last year by successive surveys of industry by the Confederation of British Industry, the UK employers' organisation, give little ground for optimism that the much-heralded recovery of the UK economy is yet under way.

However, the Treasury is still optimistic that an improvement in world trade should contribute to a modest recovery this year, and its latest unpublished forecast is believed to suggest that output might grow by perhaps 2 per cent in the current year compared with last year.

Much will depend on whether the recent tentative signs of recovery of the U.S. economy are confirmed during the next few months. This would provide a much-needed boost to world trade, as well as to business confidence.

Yesterday's figures showed a slight increase in the overall index of production between 1981 and 1982, but this was the result of increased oil output. In the rest of the economy, the picture was bleak.

Output from most sectors was sluggish or declining last year, although the food, drink and tobacco industries showed a 1 per cent increase in output compared with the previous year.

In spite of generally buoyant consumer spending, particularly towards the end of the year, output from the consumer industries fell by 1.5 per cent last year compared with the average for 1981.

The increased consumer demand appears to have been satisfied largely by imports and from stocks, which continued to be run down in the second half of the year, to the surprise of many forecasters, including those at the Treasury.

Imports of manufactured goods rose by 8.5 per cent in volume terms last year, although there seemed to

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Information technology warning, Page 9

TeleVideo offers 6.25m shares

BY LOUISE KEHOE IN SAN FRANCISCO

TELEVIDEO SYSTEMS, a manufacturer of computer terminals and small business computers in California's Silicon Valley, is about to make one of the largest initial share offering to the public known in the U.S.

It is to sell 6.25m shares at an expected price of $16 to $18 each for a total of up to $112.5m. In contrast, Apple Computer, the highly successful maker of personal computers, raised $101m in its initial offering in December 1980. Despite the large offering, California stockbrokers expect the issue to be over-subscribed.

The company has been profitable almost from the moment it was formed. Sales have grown from under $1m in 1977, when the only product was a video game monitor, to more than $98m in 1981-82. Net profits were $12.7m last year.

From the manufacture of video display units – the screens of personal computers, desk-top computers and terminals – TeleVideo has moved into the fast-pace, competitive small business computer market.

TeleVideo's products have a reputation for quality and have been highly successful in the marketplace. TeleVideo is not, however, an innovator. Its strategy is to pick up on winning features introduced by competitors and to offer them at competitive prices.

Last month, for example, TeleVideo announced the availability of a "mouse" controller for its small business computers only one day after Apple launched Lisa – the first personal computer with a "mouse," a device which moves a cursor around the screen. TeleVideo's price is only $99.

TeleVideo also sells a personal computer matching the features of the successful IBM personal computer, at a price about seventh lower.

Hyster UK in pay cut deal

By Mark Meredith in Edinburgh

WORKERS AT the Hyster forklift truck plant in Irvine, Scotland, have voted for a 9.8 per cent cut in basic pay rates in return for a £40m investment programme by the U.S.-owned company.

Mr William Kilkenny, chairman of the world's second-largest forklift truck maker, said last night the response from the workers so far had shown there was sufficient support for the plan, even though final voting figures would not be known before noon today.

That is the deadline which has been set for employees to return a form signalling their agreement. "It looks like we are over the hurdle," he said.

He is expected to announce formally later today that he will go ahead with the investment programme, which has extensive gov-

Continued on Page 14

Brussels challenge to French machine tool aid

By John Wyles in Brussels

THE EUROPEAN Commission yesterday challenged the French Government's plans to inject capital into its machine tool companies.

The capital aids would distort competition by allowing companies to refinance themselves on better terms than those available in the markets, the Commission said.

Yesterday's announcement follows the veto placed by the Commission late last month on France's bid to cut manufacturing costs in the clothing industry by reducing the social charges paid by employers.

The Commission's challenges to French recovery plans for both the machine tool and textile industries aimed at "reconquering the domestic market" are threatening to spark off a major confrontation between Brussels and Paris over the appropriate use of state funds to revive ailing industries.

In the last few years, the Commission has insisted on industrial restructuring as a quid pro quo for allowing state aids, whereas the Socialist government in France is aiming at recovery and import substitution with a minimum of job losses.

In return for capital aid the French companies are required to sign a form of planning agreement with the Government, defining their economic and industrial goals.

If, after receiving further information from the French Government, the Commission confirms its objections to the aids, France must either abandon them or face a case at the European Court.

The Commission has, however, authorised the provision of loans to help machine tool users acquire new machinery.

When rejecting France's bid to reduce the social charges paid by employers in the clothing industry last month, the Commission said the reductions – introduced last April – amounted to an operating aid not linked to a restructuring programme or to a strategy to adapt the companies to changed market conditions.

But its attack on France's textile strategy went even wider by demanding the withdrawal of two other aid schemes dating back to 1965 and 1967.

Continued on Page 14

France, Italy seek closer aircraft ties

BY DAVID MARSH IN PARIS

FRANCE and Italy hope to step up collaboration in the aircraft industry as part of efforts to boost economic and political co-operation agreed during two days of summit talks which ended in Paris yesterday.

French President François Mitterrand and Italy's Prime Minister, Sig Amintori Fanfani, declared their agreement on nuclear arms strategy and the Middle East.

They underlined the French Govenrment's wish to hoist its relationship with Rome to something like the same cordiality as its traditional link with West Germany and they agreed to organise future Franco-Italian summits every six months. Bonn-Paris meetings are held at these intervals.

Sig Fanfani told a joint press conference that Italy was sympathetic to participation in the controversial A-320 Airbus project to build a 150-seater aircraft for launching on the world market in the late 1980s.

The French Government has pressed for a firm decision on the programme from the other main Airbus partners, Britain and West Germany, but doubts over the state of the world airline market have so far delayed progress.

M Charles Fiterman, France's Transport Minister, has already said Aeritalia of Italy, as well as de Havilland of Canada and Fokker of the Netherlands, could join the consortium making the aircraft.

Sig Fanfani added that Italy was studying the possibility of buying Airbus A-300 wide-bodied aircraft. An Italian order, which could be for five aircraft, would come as a considerable relief to the Airbus consortium, which has suffered from the cash-starved state of world airlines.

The two leaders also spoke optimistically of existing Franco-Italian co-operation in the joint manufacture of the ATR-42 short-haul aircraft. President Mitterrand said this project was advancing ahead of forecasts.

The meetings, attented by an additional five ministers from each side, discussed industrial co-operation in the nuclear, steel and electronic fields. But the Italians promised no firm measures to reverse what the French regard as a worrying trend in bilateral trade.

France last year recorded its first trade deficit with Italy since 1969 – a shortfall of FFr 4.3bn ($630m) after a surplus of FFr 3.7bn in 1981 – mainly due to a 24 per cent increase in imports from Italy.

On enlarging the EEC, Sig Fanfani said he agreed with President Mitterrand's suggestion last month for a conference of Mediterranean states to discuss the consequences of Spanish and Portuguese membership.

Sony proceeds with French video factory

BY DAVID HOUSEGO IN PARIS

SONY, the Japanese electronics manufacturer, has decided to go ahead with plans to build a video cassette factory in south-west France.

Last month, it suspended the plans in protest at the French Government's restrictions on the import of video tape recorders (VTRs).

Sony said yesterday that it had received no assurances from the Government that it would end its requirement that imported VTRs must be processed through customs at Poitiers. But it believed that the success of the negotiations between the European Community and Japan showed that a solution was in sight.

The French position is that a decision on whether to lift the Poitiers restrictions will be taken in the light of a full review of the voluntary export restraints to which the Japanese have agreed, both over VTRs and other products. A decision is not expected before the EEC Council of Ministers has studied the agreement

Sony's announcement in January that it was suspending its plans to invest FFr 141m ($20.6m) in a video cassette plant at Dax in south-west France was a clear attempt to put pressure on the French Government to lift the Poitiers restrictions.

Sony's decision follows a similar change of mind by Akai, the Japanese television and radio manufacturer, which said at the end of last year that it was shelving plans to assemble VTRs at Honfleur

CONTENTS

France is in a dilemma over 'sensitive' customers for its hard-hit N-industry, writes **David Marsh**

Mushroom clouds shade French nuclear horizon

SEVERAL hundred feet below the rolling granite landscape north of Limoges in central France, pick-axe wielding uranium miners bantered with their British visitor about the England v France rugby match and the soft-porn film-star girlfriend (who has made quite a splash in France) of Prince Andrew.

On the surface, at the headquarters of the La Crouzille uranium mining division of Cogema, the government-owned nuclear company, the conversation had an altogether more serious side.

The La Crouzille mines—grouping the biggest uranium deposits in Europe—provide the centrepiece of the ambitious French nuclear energy programme, aimed at boosting the nuclear-generated share of electricity production to 70 per cent by the 1990s—from 40 per cent at present—and cutting dependence on imported oil and gas.

But the mining community is feeling the squeeze from the world-wide plunge in the uranium price—down to about $20 a pound at present from $44 at the end of 1979—and the recession-induced slowdown in N-plant construction. Especially after the latest slump in the oil price, the uranium market is not expected to improve significantly for several years.

One result of the uranium malaise confronts France with delicate dilemmas over exporting uranium which could be diverted for use in nuclear weapons.

The French Government is looking more keenly for export business to assure outlets for Cogema's production and for the massive enrichment facilities built up in France.

Most of the nations at present shopping for uranium are, however, on the "politically sensitive" list. France officially defines its nuclear non-proliferation policy as one of "rigour—but adaptability." The worry is that in coming years, France may show itself as too adaptable over weapons safeguards in its drive to build up a strong role as a nuclear supplier abroad.

Back in the uranium-bearing sector of France's Massif Centrale, the Cogema mines are seen only as a blessing. The rocky, windswept area has little other local industry.

Officials hand out pro-nuclear stickers. The mines and associated facilities provide work for about 1,000 people. As one mining worker put it: "The mines keep the local economy going — sub-contractors, shops and small businesses."

The first important deposit of pitchblende — uranium oxide — was discovered near the village of La Crouzille in 1948. Now, France is held to have about 120,000 tonnes of uranium reserve. Although they are Europe's biggest, they are still less than one-tenth of the reserves of the U.S.

Since the war, the French atomic energy business has had no difficulty buying up concessions in the La Crouzille area. Landowners, officials say, have been only too willing to sell out because of the infertility of the soil.

In spite of the depressed price for the mineral, the lure of the uranium business is still strong. Total, the French oil company, paid FFr 300m (£28m) at the end of last year to buy from the Empain Schneider group the rich Dong Trieu uranium near the La Crouzille concessions.

> Most nations shopping for uranium now are on the "politically sensitive" list. The worry is that France may show itself too adaptable over weapons safeguards in its drive to build up a strong role as a nuclear supplier abroad.

Total argues that the deal, which promoted it to France's second largest uranium mine after Cogema, made sense because the uranium business is at a cyclical low.

Of that, the La Crouzille miners have no doubt. Production has stagnated, some open-pit mines have been closed and recruitment halted.

Although La Crouzille's output is planned to increase slightly to 940 tonnes this year, it will remain in the 900 to 1,000 tonne range in the next few years—considerably below the region's potential output of 1,200 tonnes and its record production of 1,180 tonnes in 1981.

The mines, which sell most of their output to the state utility, Electricite de France (EdF) at a price linked to the world market and re-negotiated each year, are not the only branch of the uranium business to feel the pinch.

The whole of the French nuclear industry is bracing itself for a reduction in atomic plant orders over the next few years as a result of slower economic growth.

A few miles to the north of the main mining areas, in the small town of Bessines, Cogema's sprawling uranium treatment plant is working below capacity and the engineers who run it are making every effort to cut costs.

The fully automated plant acts like a giant chemistry laboratory in converting uranium-bearing mineral brought in by lorries from 15 surrounding mines into powdery uranium oxide-based yellowcake.

Capacity was almost doubled in 1978 to take a maximum 1.1m tonnes of mineral a year. Officials admit ruefully that, at the time, the uranium price looked set to break through the $50 barrier. Instead, it slumped as low as $17 at one point last year leaving a gaping hole in the plant's finances.

Total French-controlled uranium production, including the output bought by Cogema from its mining interests abroad—mainly Niger, Gabon and Canada—is around 7,000 tonnes a year.

This year it may fall, with production in Niger, from which France buys uranium at a preferential price of around $30 per pound, likely to drop sharply.

EdF takes about 6,000 tonnes a year, with the rest used by the French military, stockpiled or exported.

By 1990, the amount taken by EdF is officially estimated to rise to nearly 10,000 tonnes a year. But the risk that uranium needs may falter increases the need to find export outlets. A more pressing reason is severe under-capacity in France's uranium enrichment industry.

The big multinational Eurodif plant, at Tricastin, in the south of France, has been operating at only 50 per cent of capacity recently, and two small sections of the military enrichment plant at nearby Pierrelatte, also used for civilian purposes, have been closed.

France already supplies uranium to Japan, Sweden, West Germany and Belgium under contracts dating from several years ago. It has contracts with utilities from the same group of countries, plus Switzerland and Spain, to carry out reprocessing of spent fuel, separating waste products and plutonium, at the Cogema plant at La Hague near Cherbourg.

At the end of last year, Paris agreed to deliver enriched uranium to India, replacing U.S. supplies which had to be suspended after passage of President Jimmy Carter's Nuclear Non-Proliferation Act in 1978.

France's readiness to climb down from previous insistence over safeguards in the Indian deal, has raised doubts whether non-proliferation scruples will fall by the wayside in the French bid to stake a strong claim on the nuclear export market.

President Honecker: call for nuclear-free zone

Bonn and E. Berlin open talks

By Leslie Colitt in East Berlin

HIGH-LEVEL talks between East and West Germany began yesterday in East Berlin on the entire range of relations between the two countries as well as on European disarmament.

Herr Uwe Ronneburger, chairman of the West German parliamentary committee on Inner German Relations, said East Germany's recent proposal on the creation of an all-German zone free of tactical nuclear weapons should be "very carefully studied."

President Erich Honecker has urged Bonn to join East Germany in declaring their territories part of a European nuclear-free zone.

Herr Ronneburger yesterday met Herr Kurt Haeber, the East German Communist Party's leading expert on West Germany, as well as Herr Kurt Nier, the Deputy Foreign Minister, and Herr Karl Seidel, who heads the West German department in the East German Foreign Ministry.

The visiting Bonn politician is a member of the liberal Free Democrat Party which, in the current general election campaign, is stressing its role as the guardian of Ostpolitik which it helped to create while allied with the former Social Democrat-led government in Bonn.

The East German leadership is faced with the possibility that the Free Democrat Party might disappear in the election on March 6, allowing a wholly conservative West German Government to adopt a much tougher line towards its eastern neighbour.

Court rules today on W. German election

By James Buchan in Bonn

WEST GERMANY'S supreme judicial body, the Federal Constitutional Court, will give its ruling today on whether a general election can be held next month without violating the country's basic law.

In a decision awaited with some anxiety in Bonn, the eight judges of the court in Karlsruhe will rule if President Karl Carstens acted rightly to dissolve Parliament on January 7 after Chancellor Helmut Kohl contrived to lose a vote of confidence in himself before Christmas.

This was seen at the time as the least painful means of getting round the constitutional repugnance to mid-term elections.

The suit was brought in January by four parliamentary deputies of different parties.

The judges' august deliberations have in no way hampered what is already one of the most vicious election campaigns since the foundation of the Federal Republic. None the less, in the past week, reports have appeared saying that a majority of the judges will find for the suit which will badly embarrass both Chancellor and President.

Informed opinion suggests, however, that the court will think twice before over-riding Chancellor, Parliament and President or going against the express wish for an election by all the parties represented in Parliament.

A decision to broadcast the ruling live over the television, suggesting drama of the highest order, was reversed yesterday.

Many people take the view of Herr Willy Brandt, chairman of the Social Democrat Party, who thinks the judges will confirm the March 6 election date, if not necessarily unanimously, but will criticise the "fudged" confidence vote in the Bundestag on December 17. They could also ask—as the Christian Democrat floorleader, Herr Alfred Dregger, suspects—for a change in the constitution after the election to prevent a repetition of the whole business.

West Germans are extremely touchy about their constitution, but altering it would be relatively painless if the future of the Government did not depend on it.

Swiss unemployment at highest level for years

BY JOHN WICKS IN ZURICH

SWISS UNEMPLOYMENT last month reached its highest point in nearly seven years. The number of jobless registered with labour exchanges increased by 18.2 per cent over the December figure to a level of 27,864. Not since March, 1976, have so many Swiss been without work.

The overall unemployment rate of 0.9 per cent is very high for Switzerland which, until a few years ago, did not even appear in international statistics because its rate was below 0.1 per cent.

The problem now is particularly marked in Canton Valais, with 3 per cent unemployment, and in the watch-making areas of Canton Neuchatel and Jura, with 2.1 and 1.9 per cent respectively.

The Federation of Swiss Trade Unions considers the sharp January increase to be a seasonal phenomenon, rather than showing any substantial deterioration in the economy. Nevertheless, the figure is almost 240 per cent above that for the same month last year.

The Government hopes for an improvement in the labour market in spring or early summer and does not expect the unemployment average for the year to top 1 per cent. However, concern at rising unemployment and short-time working recently led the Federal Council to propose a SwFr 970m (£320m) economic recovery and job creation programme, to be presented to the spring session of Parliament.

● There were more foreigners in the Swiss population last year than at any time since 1977. Excluding seasonal workers and employees of international organisations, the number of resident aliens rose by 1.7 per cent to reach nearly 926,000 by the end of December. This is equal to 14.5 per cent of the population.

More than 526,000 were in work. A further 108,350 were crossing international frontiers daily to work in Switzerland, while some 13,390 were active as seasonal workers. This means that foreign nationals account for something like 21 per cent of the entire Swiss workforce.

Very little remains of the anti-alien feeling which played an important role in Swiss politics in the early 1970s. In fact, the foreign population is still well below its peak of more than 1m recorded in 1972-75.

Spain's civil servants in three-day pay protest

BY DAVID WHITE IN MADRID

SEVERAL THOUSAND senior Spanish civil servants were staging the first day of an unprecedented strike yesterday as Spain's main employer and labour organisations put their signatures to 1983 wage guidelines.

The officials, including customs officers, finance inspectors and diplomats, have been called out by the Federation of Senior Civil Service Corps in protest against the fact that they are not represented in pay negotiations under way with the Government.

The federation, which claims to represent 10,000 government officials, has called a total strike for three days and more limited industrial action for an indefinite period thereafter until its demand is met.

The Government, which is hoping to conclude a pay agreement for the civil service this week within the framework of the national wage guidelines, has replied that "it is impossible to negotiate with 946 different associations."

The strike was reported to have had a 70 per cent following yesterday.

In negotiations with the three principal trade unions, the Government has offered an average 12 per cent pay increase for the civil service this year, in line with the inflation target. But the unions are pressing for 12.5 per cent, the maximum foreseen in the national pact.

A further stumbling block is the question of a backdated readjustment after nine months in the event of higher-than-expected inflation—a principle that is incorporated in the national agreement but which the government fears would upset its budget calculations.

The 1983 employer-union pact, providing for wage increases of 9.5 and 12.5 per cent, was formally signed yesterday after last-minute reticences in the Communist trade union, Comisiones Obreras.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

EUROPEAN NEWS

Spain state holding company cuts deficit

By David White in Madrid

SPAIN'S many-tentacled state holding company, Instituto Nacional de Industria (INI), is expected to show a reduction of about 10 per cent in its losses for last year, according to officials.

But financial recovery at the $10bn-a-year group, which accounts for almost half the country's public-sector foreign debt, is overshadowed by the prospect of its having to take on extra burdens in problem sectors.

INI's losses for last year are put at about Pta 90bn or close to $700m, compared with just more than Pta 100bn in each of the two previous years.

Exports increased by about 39 per cent to more than 30 per cent overall sales. Turnover was up about 20 per cent.

The bulk of the losses continued to stem from six companies – in the steel, shipbuilding and motor industries – out of the group's 70 direct subsidiaries.

The INI-controlled Seat, the country's top car manufacturer, is reported to have lost a further Pta 22bn last year, a figure similar to the two previous years.

This was the fifth consecutive annual loss at the car company which is preparing to produce Volkswagen models under a recent agreement with the West German manufacturer.

INI has just completed arrangements for a syndicated credit package in dollars and pesetas for a total equivalent of $360m, after difficulties over conditions.

Questions about future burdens have been raised after a government decision to press ahead with an iron ore pelletisation project – Presur – in south-west Spain, under INI control.

The project, shelved because of the cost of supplying gas from the Gulf of Cadiz, was reconsidered after labour protests. INI originally had a minority share with other partners including Lurgi of West Germany.

Cheysson Moscow visit marks thaw in relations

BY DAVID HOUSEGO IN PARIS

M CLAUDE CHEYSSON, the French Foreign Minister, will fly to Moscow today for a four-day visit that marks a slight thawing in Franco-Soviet relations.

The French are anxious that the Russians should not interpret the gesture as signalling any watering down of their strongly-held position over Poland and Afghanistan.

It was the hostility of the French Socialists to Russian actions in both countries that led President François Mitterrand's administration to freeze relations with the Soviet Union on coming to power.

M Cheysson is the first French Foreign Minister to visit Moscow since the visit of M Jean Francois Poncet in 1979. Under former President Giscard d'Estaing's Government France believed it had a privileged access to Moscow among western nations which in turn reinforced French influence with the U.S.

The visit reflects the French desire to make their own first hand assessment of the new Soviet administration of Mr Yuri Andropov and to explore whether there is any sign of change in Soviet policy.

In particular M Cheysson is expected to probe the Soviet bargaining position over the deployment of intermediate range missiles while emphasising that French weapons can not be taken into account in any agreement between the Soviet Union and the U.S.

There are no plans for M Cheysson to meet Mr Andropov, though this is not ruled out. It is also possible that a future visit to Russia by President Mitterrand will be discussed.

Paris is also anxious that Moscow take measures to reduce its trade surplus with France which reached FFr 8.5bn ($1.24bn) last year.

The Russians have been attempting to use this to persuade the French to break ranks with other Western nations over credit, trade and transfer of technology issues. There is no sign that France has been doing this.

The French view is that normal commercial relations with the Soviet Union must continue but that France supports Western embargoes on the export of goods of strategic or military importance. France is not, however, prepared for what it considers U.S. attempts to wage "economic war" on the Soviet Union.

On the trade issue, France is expected to press the Soviet Union to accept contracts denominated in other currencies, such as the D-Mark. For the French, this is a way of getting round the unfair advantage that France believes countries such as West Germany have in trade with the Soviet Union as a result of the new agreement on export credits to Russia.

M Claude Cheysson

Polls show French Left is resisting municipal challenge

BY DAVID HOUSEGO IN PARIS

THE FRENCH LEFT has taken heart from a number of local opinion polls that show that Socialist mayors are holding off challenges from the opposition more successfully than had been expected.

In 12 towns currently controlled by Socialist or Communist councils where opinion polls have been carried out by IPSOS – Europe 1, the Right emerges as favourite to win in only one.

The towns where the polls show the Left as continuing to retain its majority include Brest, where only a small swing is needed to dislodge the Socialist mayor; Rennes where M Edmond Herve, the Minister of Energy, who is also the local mayor, has been under pressure; and Marseilles, the municipality dominated by M Gaston Defferre, the Interior Minister.

Overall, in the 20 towns polled by IPSOS there is a strong movement in favour of the outgoing mayor – a fact which strongly benefits the left, which, after its 1977 gains controls the majority of the large municipalities. Furthermore in two of the six towns now under right-wing majorities, the opinion poll gives the left a chance of recapturing the town councils.

The findings of the polls were by the seized on by the Paris morning papers yesterday as coinciding with other signs that the Right is growing less sure of victory.

The right wing daily Le Quotidien carried an editorial warning that the battle "was not yet won". The pro-Socialist Le Matin, on the other hand carried a headline proclaiming that "the left is not certain of losing the municipals."

Behind this change of perspective lies the belief that the Left is now mobilising its supporters and that the popularity of mayors already in office is working in its favour.

National opinion polls continue, however, to reflect disappointment with the Socialist administration.

M Gaston Defferre

Bid to head off strike by doctors in Italy

By Our Rome Staff

THE ITALIAN Health Minister, Sig Renato Altissimo, is expected to hold talks today with leaders of unions representing 70,000 hospital doctors in a last-ditch attempt to prevent a work-to-rule becoming a strike.

Industrial action by the doctors continued to disrupt health services throughout Italy yesterday as the two-month-old agitation for better salaries and working conditions dragged on.

There were widespread reports of patients discharging themselves from hospitals rather than face long waits for treatment because of overtime bans.

Prefects in several areas have cancelled leave for national health service doctors, but the measure appeared to have little success in restoring order in most hospitals.

The doctors say that workloads in hospitals have reached an intolerable level because the Government has cut projected expenditure on health services in an attempt to curb the runaway public deficit.

A law abolishing Italy's psychiatric hospitals has also put pressure on state general hospitals by obliging them to take in mental patients.

The treat to step up the industrial action has received little support from Italian public opinion, not least because of an influenza epidemic which has put many people in hospital.

● Hospital doctors in Athens and the nearby port city of Piraeus went on a 24-hour strike yesterday demanding higher wages and shorter hours, AP reports.

Polish Government promises to consult new trade unions

BY DAVID BUCHAN IN WARSAW

THE POLISH Government yesterday promised to consult the new plant-level trade unions—set up to replace the Solidarity movement—on broad economic and social policy. But it refused to accelerate its timetable prohibiting a national union structure until 1985.

Mr Stanislaw Ciosek, the Trade Union Minister, said that 5,600 new unions had been set up in factories and that the courts were receiving dozens of applications for union registration each day. In the 45 days since unions became legal again in Poland, 1m workers, or nearly 10 per cent of the workforce, had joined the officially-sponsored factory unions, he told a news conference.

This progress, he said, was despite workers' "natural reserve" towards unions, because of the course Solidarity took and of doubts whether any unions could have much freedom of manoeuvre in Poland's economic crisis. He said workers who boycotted the new unions were "trying to jump on the opposition horse."

Mr Ciosek admitted that union membership was minimal in many of Poland's large factories. This was due to the work there of "political opponents," he claimed.

Separately, Mr Jerzy Urban, the Government spokesman, confirmed that protest demonstrations, marking the monthly commemoration of martial law on December 13 1981, had been dispersed on Sunday evening by police in Warsaw, Gdansk and Wroclaw. Citing police reports, he denied independent accounts that tear gas and batons had been used.

Mr Ciosek said: "the new unions are developing seriously, and we will treat them seriously." But he declined to say how, except to suggest that government officials might take soundings from unions in the 100 largest factories on new policy measures.

"We do not want to violate the process of political normalisation," he said, in reference to the law prohibiting sector-wide unions until 1984 and nationwide unions until 1985.

The 1m strong membership of the new unions so far compares to the nearly 10m who belonged to Solidarity at its peak. A contributory reason for the low turn-out in the new unions is that Communist party members in factories have not joined en masse, apparently out of a desire not to compromise the credibility which the Government wants to foster for the unions.

Mr Ciosek . . . claims 1m union members

North Sea row over 'too expensive' rig

BY FAY GJESTER IN OSLO

A ROW is brewing between Arco of the U.S. and Saga Petroleum, a small Norwegian company, over well drilling costs on a Norwegian North Sea block, 2/2, where both have small stakes.

Saga, as the operator company, hires the drilling rig required, but costs are shared among the partners on the block. Arco's complaint is that Saga has chosen an unnecessarly expensive rig – that it is, in effect, using a Rolls-Royce where a Mini would do.

In a Telex to Saga it has asked for negotiations, clearly to persuade Saga to pay at least part of the extra costs caused by using this rig.

Any rebate would set a significant precedent in the offshore industry.

Foreign companies with stakes in Norwegian blocks pay a proportion of exploration costs twice as large as their stakes, to help carry state oil company Statoil through the exploration. Statoil has received stakes of at least 50 per cent in every licence awarded in the past decade.

The other two Norwegian companies on Norway's shelf – Saga and Norsk Hydro – do not have to carry Statoil. Their share of exploration costs correspond exactly to their stakes.

If a commercial find is made the carrying arrangements are cancelled and Statoil pays its full share of development costs.

The rig on 2/2, at a day rate of nearly $90,000, is the new, heavy duty "Treasure Saga" designed for work in deep, Arctic waters. Block 2/2 is a shallow water North Sea block.

On today's glutted rig market a suitable semi-submersible rig could have been secured for about $35,000 per day, Arco claims.

Arco would in any case have preferred an even cheaper, jack-up rig on the well, arguing that it could have done the job faster and more safely.

Saga has the "Treasure Saga" on long-term hire from Norwegian owners Wilh. Wilhelmsen, under a charter concluded about two years ago, when rates temporarily peaked. Since then they have slumped.

It is paying nearly $90,000 a day for the first three years, with options to prolong the charter for two years at a much lower rate, about $65,000 per day.

Brandt 'summit' hopes

GENEVA – Former West German Chancellor Willy Brandt said yesterday he hoped for an informal summit this spring to consider some of the urgent actions his independent North-South Commission recommend to avert an international economic collapse.

Herr Brandt said that the sixth session of the United Nations Conference on Trade and Development (Unctad) scheduled in Belgrade next June could provide an opportunity for "certain heads of state to get together for a quiet talk."

He emphasised that this was not to propose a "new Cancun" – the first North-South summit in Mexico in late 1981 – but that the Belgrade meeting should be "much less formal."

He had come to Geneva for meetings with top UN officials, including Secretary General Javier Perez de Cuellar and Unctad secretary General Ganani Corea, and said he was encouraged by their reactions to the Commission's new emergency memorandum published last week.

The document proposes sweeping reforms of the world's financial system, a reinforcement of the open trade system and other measures to prevent what it says would be a "major world depression"

AP

Congress expected to approve $8.4bn contribution to IMF

BY ANATOLE KALETSKY IN WASHINGTON

Regan . . . faced less antagonism than expected

Shultz . . . backs Regan's tactics on banking crisis

THE Reagan Administration is increasingly confident that Congress will approve the $8.4bn U.S. contribution to the expansion of the International Monetary Fund agreed last week by Mr Donald Regan, the U.S. Treasury Secretary, and representatives of the IMF's 145 other member countries.

In a series of appearances before Senate committees this week, Mr Regan has run into less antagonism towards the IMF than he had expected, according to Administration officials.

Although many Congressmen still want to attach various caveats to legislation on new IMF contributions, Congressional opinion appears to be focussing increasingly on relatively non-controversial issues relating to bank regulation.

Over the past few months left-wing Democrats have threatened to make additional IMF funding conditional on changes in monetary policy or on job creation measures from President Reagan. These threats are now unlikely to jeopardise the plan, partly because President Reagan has already conceded on the jobs issue. But the Democratic Party leadership has also warned Congressmen against "playing politics" with what is increasingly recognised as the vital need to boost the IMF's resources.

Yesterday Mr George Shultz, the Secretary of State, added his voice to Mr Reagan's in warning the Senate foreign relations committee that failure to address the international banking crisis could endanger a U.S. economic recovery and cost the U.S. jobs.

But like Mr Reagan, who testified before the Senate appropriations committee, Mr Shultz also cautioned the commercial banks against trying to pull out of developing countries at this critical time. He said that private banks had a "collective interest in extending sufficient new money to permit the developing countries to service their debt," and warned that the "precipitous drop in new lending" in the second half of 1982 would "imperil the recovery of the debtor countries" unless it was reversed.

Mr Reagan said that progress on IMF funding would help stabilise financial markets and help to lower interest rates. He also pledged that the U.S. Treasury and the Federal Reserve Board would co-operate in making every effort to protect the banking system of the U.S." in the unlikely event that a major third world default could not be prevented.

Argentine junta backs corruption investigation

By Jimmy Burns in Buenos Aires

ARGENTINA'S military Government has pledged its backing for a series of investigations into cases of alleged corruption by senior officials since the 1976 coup, as part of a compromise agreement on broad policy guidelines reached by President Reynaldo Bignone and the junta on Monday night.

The agreement, which includes a promise to hold elections by the end of this year, appears to have ended—at least for now—the threat of a major split within the armed forces and of a clash with civilian politicians.

The prospect of an imminent Cabinet reshuffle, with the sacking of Sr Jorge Wehbe, Economy Minister, also appeared to recede yesterday, though there is a possibility of some ministerial changes over the next few weeks.

The investigations would cover the activities of military courts and civilian judges. They would be accompanied by a new Press law aimed at restricting unfounded speculation.

The junta, under intense pressure from within its own ranks is reported to have threatened to sack President Bignone unless urgent steps are taken to restore the shattered prestige of the armed forces.

Junior and middle-ranking officers, apparently backed by some senior generals, including Gen Juan Carlos Trimarco, the commander of the key 1st Army Corps, had been demanding a thorough housecleaning to offset increasing criticism from politicians and the media. The investigations will include allegations of misuse of funds by government officials responsible for foreign borrowing or in charge of state enterprises.

The investigations will question the rapid increases in Argentina's foreign debt since 1976, although major changes in economic policy have apparently been ruled out.

Confirmation of the military Government's pledge to hold elections later this year—probably in November—was initially welcomed by the politicians yesterday. The Multipartidaria—the loose coalition of Peronists, radicals, Christian Democrats, the Intransigent Party and the Movement for Integration and Development—had earlier been pressing for an election in about July.

But most politicians yesterday privately voiced relief that Argentina's latest political crisis had not resulted in the indefinite postponement of transfer to civilian rule, as demanded by some hardliners within the armed forces.

Chile's foreign reserves down

CHILE'S FOREIGN reserves dropped by $625m (£416m) last month, to $1.95bn as of January 31, Mary Helen Spooner writes from Santiago. This decline amounts to over half the decrease registered last year, when Chile's international reserves fell from $3.77bn to $2.57bn.

According to the Central Bank, the reserves figure of $1.95bn does not include the first disbursement of a $875m credit from the International Monetary Fund which was released last month. Adding this disbursement to the foreign reserves, Chile's disposable assets would amount to $2.4bn.

Chile is seeking a $3.5bn rescheduling and new loan package from commercial banks. It has already halted debt repayments for a 90-day period starting from January 31.

Jobs plan set for speedy approval

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

A NEW PACKAGE of legislation to promote jobs and combat unemployment appeared to be heading for speedy approval in Congress yesterday after both Democratic and Republican leaders agreed to push for early action.

The major question remained how far the Democrats would try to increase the funds offered, by in effect challenging President Ronald Reagan to veto a more substantial sum.

Mr Reagan's proposal is for a $4.3bn "emergency" jobs programme, plus almost $3bn to extend unemployment benefits in the areas worst hit by recession. Other measures bring the total sum up to $7.6bn. The Democrats have said they want to add $1bn, and that they only regard the measure as a first step.

Republican leaders appealed to the Democrats yesterday not to load the legislation with extra provisions, saying that it could become law, and start stimulating employment, by late March or early April with prompt Congressional action. Mr Robert Michel, the House Republican leader, said that further measures could be taken up later.

While criticising Mr Reagan's proposal as inadequate, the Democrats have tried to present it as a sign that he is beginning to accept the need for the sort of comprehensive job creation legislation they themselves have long advocated.

Mr Reagan has in the past opposed what he calls "make work" proposals, and threatened to veto a similar Bill at the end of last year. But he does not want to seem to be opposing efforts to promote employment in the new Congress—particularly as he is now putting the emphasis on bipartisan measures to solve the nation's economic problems.

The White House will argue that the new Bill is not really a "make work" measure, as it only involves projects, such as Federal construction, that were already in the budget. The Democrats deny this and claim that the final package will include a lot of "new money."

They annoyed the White House by leaking some of the plan's details earlier this week to prove their point. Mr Reagan was planning to make a splash with the proposal at a nationwide news conference set for tonight.

Michel . . . wants to postpone further measures

William Chislett, recently in Panama City, sees signs of strain

Panama faces a delicate moment

PANAMA, the home of the canal which acts as a vital funnel for international trade and also of the largest offshore banking centre in the Americas, has long been immune from the economic and political problems afflicting most of the rest of Latin America.

The economy, which revolves around services like the canal and the Colón free trade zone, the biggest in the Western hemisphere, and commodity exports including sugar and bananas, has been the area's showpiece. And the country is politically stable, although it is not a democracy.

There is a civilian government under President Ricardo de la Espriella, but the National Guard which staged a coup in 1968, under General Torrijos, is still the power broker.

Indeed the visitor to Panama (population 1.9m) finds it difficult to believe that the country is part of Central America, one of the world's most explosive corners, and not an island.

The fact that there are 130 foreign banks based in Panama with assets (which in banking terms means loans) of $49.2bn and deposits of $42bn (as of September 1982), most of them borrowed on the international interbank Euromarkets, underscores the degree to which the country is viewed as a safe haven. Panama City, with its dozen or so skyscrapers housing banks, resembles a miniature Wall Street.

However, Panama is now facing serious economic and political problems at a delicate moment in its history.

Free elections are scheduled to be held next year for the first time in 16 years amid considerable political uncertainty. The death in 1981 of General Torrijos, the country's benevolent and charismatic strongman, has laid bare the infighting in the Revolutionary Democratic Party (PRD) which was formed in 1979 from within the Government to try to forge a lasting alliance from the disparate elements supporting the general.

The PRD embraces businessmen and Marxists and is struggling over the soul of Gen Torrijos.

There are now 14 other political parties in an electorate of barely 800,000 and the National Guard is reluctant to return completely to the barracks. This has become a contentious issue among the Liberal and Christian Democrat groups opposing the PRD.

Gen Rubén Darío Paredes, the head of the National Guard and a conservative populist, has thrust himself into the political arena and is the PRD's presidential candidate in all but name. He is expected to retire from the Guard later this year and to formally accept the PRD nomination. His uncle Rigoberto Paredes is set to become the party's secretary general.

On the economic front, the low prices for Panama's commodity exports, the very depressed state of the Latin American markets fed by the Colón free trade zone and the pall of violence hanging over Central America, which has reduced tourism revenue, has caused the once buoyant economy to come to a virtual standstill.

The economy grew by a maximum of 1 per cent last year after real growth of 3.6 per cent in 1981. The most optimistic outlook this year is for zero growth.

Panama's external debt of $2.8bn is becoming a burden for the Government. The debt rose in net terms by $450m in 1982 and now represents 68 per cent of the $4.1bn gross domestic product.

Servicing the debt last year cost an estimated $480m (interest and principal repayments), which represented 32 per cent of the $1.5bn of goods and services exports.

Even if the Government succeeds in reducing its net external borrowing requirement to $230m—considered the bare minimum to keep the economy afloat and enable international obligations to be met—the debt ratio will rise to about 70 per cent of GDP.

Bankers, however, are not unduly worried about the size of the debt. They believe the economy is fairly well managed and draw confidence from the heavy U.S. influence in Panama which acts as a buffer against the country falling off the rails.

There are about 12,000 U.S. troops in Panama, the headquarters of the U.S. southern command, and they will stay there until the year 2000 when control of the canal passes to Panamanian hands.

However the possibility that Panama may have to reschedule its debt is beginning to be mentioned sotto voce in official circles. About 50 per cent of the external debt falls due in the next five years and it will be difficult for the Government to meet payments unless the economy picks up again.

Panama is also finding resistance in the international capital markets, even to its small borrowing requirements. The markets have become cautious after being severely jolted by the Mexican and Brazilian debt crises. Some observers believe the country will not find it easy to meet its gross external borrowing requirement of $550m, although there are so many banks on its doorstep. Panama will seek to refinance $320m of principal repayments falling due as well as borrow $230m of new money.

President de la Espriella, a conservative technocrat who replaced the more left-wing Sr Aristides Royo last July after he was forced out by the Guard, is pursuing an austere programme. This year's budget shows no real growth at all in public expenditure and wages are being held down. He is also actively promoting greater foreign investment.

Panama is expected to renew its programme with the International Monetary Fund when it expires in April and it could be for as much as SDR 90m, three times the present credit, according to reliable sources.

The World Bank is also understood to be studying the idea of a structural adjustment loan of $100m to $200m as direct balance-of-payments support.

The immensely ambitious Cerro Colorado project to develop, at an estimated cost of $3bn, one of the world's biggest reserves of copper with Rio Tinto-Zinc, the British multinational, has been indefinitely postponed.

The most explosive issue facing the Government is in the banana industry, a major source of export revenue and of employment. The Chiriquí Land Company, a subsidiary of United Brands, the U.S. multinational, is locked into a dispute with the Government over its desire to close down about one-third of its operations and make 3,000 workers redundant.

Higher domestic costs, strikes and a depressed overseas market have cut the company's profits. It feels that by closing down part of its operations it can maintain the rest. Otherwise it has threatened to pull out of Panama completely.

Such a move would have dire economic and social consequences in a country where about 30 per cent of the workforce does not have a permanent job.

OVERSEAS NEWS

Malcolm Fraser

Fraser calls for union reforms

By Michael Thompson-Noel in Melbourne

TOUGHER regulations to combat union unrest in Australia will be a major plank of the Government's March 5 general election platform, Mr Malcolm Fraser, the Prime Minister, said last night.

Mr Faser, who was launching the Liberal Party's election campaign, said a re-elected Liberal-National Party would seek power, through a referendum, to introduce secret ballots for all trade union elections.

The Government would also seek wider reforms to deal with strikes in key industries such as oil, power generation and transport, and would strengthen the role of the Conciliation and Arbitration Commission.

Ten days ago, Mr Fraser dissolved parliament and called a general election on the grounds that union manoeuvring was jeopardising the national wages freeze.

The union reforms proposed by the Liberals are by no means sweeping but Mr Fraser is staking his strategy on the belief they will help the Government capitalise on anti-union sentiments.

To date, most of the election running has been made by Mr Bob Hawke, the new leader of the Australian Labor Party (ALP), whose charisma the ruling Liberals find deeply unsettling.

In contrast to Labor's A$2.75bn (£1.73bn) "national recovery plan" announced last week, the Liberals' election platform is modest and austere.

It details a set of initiatives whose total cost, for 1983-84, would be A$568m. They include an extra A$112m for defence.

S. Africa, Botswana compete on soda ash project

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICA and Botswana are competing for a project worth at least R150m ($134m) to make Southern Africa self-sufficient in soda ash.

Because of the relatively small market in the region, estimated at 250,000 tons a year, it is most unlikely that a viable venture can be started in each country.

A subsidiary of BP, the British oil and minerals group, is pressing ahead with feasibility studies to exploit brine deposits in the Sua Pan in north-east Botswana. The project is high on the Botswana Government's development priorities, but has been rejected in the past by several other companies mainly because of poor transport and other facilities in the area.

In South Africa, planning has reached an advanced stage to mine salt deposits at the mouth of the Berg River, 100 miles north of Cape Town.

The participants in the venture are AECI, the chemical company in which ICI is a large shareholder, Anglovaal Mining House, and the state-owned Industrial *Development Corporation (IDC).*

The three companies have not yet agreed on their shareholdings in the venture, but the IDC will definitely be no more than a minority shareholder, according to Mr Marius de Waal, its managing director.

BP is understood to be promoting the Botswana project on the grounds that it will use a natural *process to convert salt to soda* ash, in contrast with what it argues are the less proven technologies being advocated for the South African venture.

Furthermore, Botswana is understood to be reminding the South Africans that as a member of the Southern African Customs Union, it will be free to sell its soda ash in South Africa duty-free. Soda ash from *other countries* is likely to be subject to customs duties.

According to Mr De Waal, both BP and the South African partners are likely to submit the conclusions of their feasibility studies to the South African Government by the middle of this year and Pretoria's decision which venture it will support is *expected shortly afterwards.*

Haddad troops extend territory

BY DAVID LENNON IN TEL AVIV

THE ISRAELI-backed southern Lebanese forces of Major Saad Haddad yesterday moved into Nabatiya, a former Palestine Liberation Organisation base in southern Lebanon.

At the head of a convoy of tanks and armoured personnel carriers, the rebel Lebanese major said that this was the second stage of the extension of his enclave in southern Lebanon.

Major Haddad has been enlarging his force since the Israeli invasion of Lebanon last June. It now appears certain that he intends to try to take control of all of southern Lebanon within 40km of the Israeli border.

On Monday he moved his forces into Sidon. An Israeli military spokesman said that there was nothing new in this, as Major Haddad's forces have been active in the area since last June.

Nora Boustany adds from Beirut: Thousands of Lebanese soldiers moved into Christian East Beirut and its suburbs yesterday in a large-scale pre-dawn deployment after a special Government decree had given the army commander sweeping powers to supervise security in what has been defined as Greater Beirut.

The decree, issued late on Monday, fell short of a declaration of a state of emergency, but it empowers Maj Gen Ibrahim Tannous, the army commander, to search for and confiscate firearms, apprehend offenders, control ports of entry, combat smuggling and to ban disruptive meetings. It also allows for the surveillance of foreigners

Military officials said three brigades and their reserves, a total of 8,000 men, were on stand-by to implement the plan for Greater Beirut, which includes East Beirut and stretches in a 10km radius to the north, south and east of the capital. About 4,500 men were involved yesterday in the Government's first real assertion of power for eight years.

Arafat in clash at PLO assembly

ALGIERS — Mr Yassir Arafat, Chairman of the Palestine Liberation Organisation, clashed bitterly yesterday with Ahmed Jebril, leader of the PLO's Soviet-influenced leftist minority.

Officials said the two became involved in acrimonious exchanges on the sidelines of the Palestine National Council (PNC), the PLO parliament-in-exile.

Mr Jebril, Secretary-General of the Popular Front for the Liberation of Palestine General Command (PFLP-GC), failed to appear at the council's plenary session yesterday.

AP

Amnesty accuses Egypt of human rights violations

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

EGYPT IS accused of serious and repeated human rights violations in a report issued today by Amnesty International.

The Londonbased organisation says it does not know whether torture has become part of the system for dealing with political prisoners, but adds that "there has been a definite increase in the amount reported over the past year."

Amnesty alleges that suspected opponents of the Government can face years of arrest and re-arrest, sporadic imprisonment and a series of trials under a wide range of laws which limit free expression.

The report quotes examples of prisoners who have been beaten and burned by cigarettes. Other people had been retried on charges on which they had previously been acquitted.

Amnesty says that it is difficult to be sure how many people are being held in Egypt on political grounds. But it believes that hundreds are involved, particularly from left-wing and fundamentalist religious organisations.

Some of Amnesty's findings were sent to the Egyptian Government last June, but there has been no response

Gloomy forecast for Zimbabwe's economy

By Tony Hawkins in Harare

ZIMBABWE'S largest banking group—Standard Chartered—Today forecasts a 3 per cent fall in gross national product during 1983 after a 2 per cent gain last year.

In its February economic bulletin, the bank estimates the country's 1982 current account payments deficit at Z$500m (£330m)—13 per cent more than in 1981.

The bank says: "1983 is shaping up to be the most difficult year for the economy since 1977-78."

Zimbabwe's foreign debt has quadrupled since independence to Z$1.5bn (£1bn) and, with the debt service ratio currently standing at 16 per cent, the bank says foreign borrowings would have to slow and the external resource gap would have to be closed by strong export growth and continuing import restraint.

The bank predicts that the inflation rate will reach well over 20 per cent at the middle of this year, compared with 14.5 per cent last year.

It sees little prospect of volume growth in agriculture, while in manufacturing, the fall in output will be steeper than last year's estimated 3 per cent, due to drought, a slowdown in domestic demand and a 25 per cent reduction in 1982 import allocations.

Mining should benefit from last year's 20 per cent devaluation of the currency and from higher bullion prices.

King Hassan walks Moroccan tightrope without right-hand man

BY FRANCIS GHILES

MOROCCO WAS already facing considerable difficulties at home and abroad before the death late last month of Gen Ahmed Dlimi, who was responsible for both internal security and external intelligence.

The circumstances of his death, in what was officially described as a car accident, fuelled political speculation not least because Gen Dlimi was the most trusted adviser to King Hassan. A French journalist who cast doubts on the official version of the General's death was immediately asked to leave the country.

The recent cancellation of the visit to Britain of the Arab League delegation headed by King Hassan for "internal Moroccan reasons" provides only one example of the problems the monarch will now face without his advisers.

Gen Dlimi had an impressive record of service to the King stretching back many years.

He helped to mastermind the Kolwezi operation which restored President Mobutu's rule in Katanga, Zaire, nearly five years ago. He acted as his master's emissary to Gulf leaders, many of whom rely on Moroccan bodyguards for their security. He carried King Hassan's messages to Baghdad, a capital to which Morocco has lent strong support since the beginning of the Iran-Iraq war 28 months ago.

A few days before his death, Gen Dlimi is believed to have met Algerian envoys in Madrid, in yet another attempt to find a solution to the conflict in the Western Sahara.

The seven-year-old Saharan conflict continues to bleed the Moroccan economy, while the stalemate, both on the battlefield and on the diplomatic front, remains total.

The Reagan Administration likes to hold up King Hassan as an exemplary ally but gives little help in hard cash.

France's Socialist Government continues to provide the bulk of weapons which Morocco needs, in spite of the fact that arrears on this account are growing. Despite Saudi aid, estimated at more than $1.5bn (£986m) annually, *Morocco will pay about half its* export income this year to service its foreign debt.

King Hassan's diplomatic hand was strengthened last year following the successful Arab Summit in Fez and the monarch's success in preventing the annual summit of the Organisation of African Unity —where the fate of the Western Sahara would have been discussed—from meeting in Tripoli.

In the meantime, Morocco's economy has been severely damaged by declining phosphate exports, the country's major hard currency earner; the growing protectionism of the EEC, which remains the major market for Moroccan exports of fruit and textiles; and the aftermath of the severe drought in 1979-81.

It was as a colonel on the Western Sahara battlefields that Dlimi won his spurs and was promoted general. He devised the strategy which led to Morocco building a defensive wall to protect the north-west corner of the former Spanish territory, where the very rich phosphate mines of Bu Cra lie.

This reversed previous Moroccan military losses and led to the military stalemate between the Moroccan forces and the Polisario Liberation Movement, which is fighting for the independence of the territory.

Polisario is unable to cross the barrier, while the Moroccan army, increased threefold to 200,000 men since 1975—two-thirds of which are stationed in the Sahara—does not dare venture beyond the protective wall into the territory.

General Dlimi came to international prominence in 1968 when he flew to France, and gave himself up to the French courts, to answer accusations of complicity in the kidnapping of *Mehdi Ben Barka*, the leader of the Moroccan opposition who disappeared in Paris in October 1968.

This act of bravado was carried out to cover General Dlimi's master, General Mohamed Oufkir, who was King Hassan's right-hand man.

King Hassan has proved a master, throughout the 22 years he has ruled Morocco, at walking tightropes. The loss of his most trusted adviser, can only make the problem the Moroccan monarch faces that much more intractable.

King Hassan

India discovers oilfield

By K. K. Sharma in New Delhi

A *MAJOR oilfield* has been discovered by India's Oil and Natural Gas Commission near the rich Bombay High offshore structure on the western continental shelf. The first well has yielded a modest 250 barrels a day, but indications are that the field is large and commercially viable.

It is in the Miocene limestone reservoir of the Bombay-Ratnagiri shelf, where it was previously thought that there would be no hydrocarbons.

The commission plans to expand operations in the region

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APPOINTMENTS

NatWest senior post

Mr Frank M. Leeson has been appointed senior advances manager of NATIONAL WESTMINSTER BANK'S international banking division based in the City. Previously he was senior manager of the industrial section of the corporate financial services department.

*

Mr Derek Moon, managing director of Currys group subsidiary, CURRYS MICROSYSTEMS, will be leaving at the end of April. He joined Currys in 1979 to set up this company, known as Micro-C, which supplies micro-computers, software and related equipment. While free to concentrate on his consultancy and other interests, he will continue to be available to Currys in an advisory capacity. He is succeeded as chief executive of Micro-C by Mr Derrick Clarke, the company's commercial director.

*

HARLEY, MULLION AND CO. has appointed Mr James Russel-Fisher (formerly of George Bell (Shipbrokers) and Mr John Gray (formerly of Cleaves Shipbroking) as brokers. Mr Russel-Fisher will assist with vessels for trading while Mr Gray will assist with demolition tonnage.

*

Mr Neil Barlow has joined FBC as director of personnel, at the company's international headquarters at Hauxton, Cambridge, and is responsible for the personnel function within the group. He comes to FBC from the W. S. Atkins Group, engineering and management consultants, where he was personnel manager. Formed in December 1980, FBC combines the agrochemical interests of The Boots Company and Fisons and certain of Fisons industrial chemical interests.

*

Mr Michael Young has been appointed international sales director for SYSTEMATICS INTERNATIONAL MICROSYSTEMS. He was UK marketing manager.

*

Mr Iain Carslaw who joined Gardner Merchant, catering management and consultancy division of Trusthouse Forte, in 1973 has been appointed managing director of new TF subsidiary KELVIN CATERING. Former chairman, Mr Hamish Kinniborough, has retired due to ill health. Mr Gordon McKechnie together with Mr Alex Kerr remain executive directors.

*

The following have been elected to the executive committee of the ISSUING HOUSES ASSOCIATION for the current year: Mr R. D. Breadley (Baring Brothers & Co), chairman: Mr G. R. Walsh (Morgan Grenfell & Co), deputy chairman: Mr M. V. Blank (Charterhouse Japhet); Mr D. Bucks (Hill Samuel & Co); Mr P. J. Byrom (N. M. Rothschild & Sons); Mr J. N. Fuller-Shapcott (Minster Trust); Mr I. A. N. McIntosh (Samuel Montagu & Co); The Lord Rockley (Kleinwort, Benson); Mr I. J. Scott (Barclays Merchant Bank) and Mr M. R. Valentine (S. G. Warburg & Co).

*

On March 1 former F. W. Wrighton & Sons managing director Mr Ernst-Uwe Hanneck will be returning to NEFF (UK) as successor to Mr Jürgen Emmler who has become export manager of NEFF Germany. Also joining NEFF (UK) is Mr Wilhelm Bender as director, from NEFF Germany.

*

MAN-VW TRUCK AND BUS is splitting sales and marketing into two departments. Mr John Jackson, who has been responsible for both the sales and marketing, will concentrate as marketing manager in building-up the product range for the British market. Mr Jeffrey Greenhalgh who was previously director of truck marketing, International Harvester, South Africa, will become the new sales manager at the MAN-VW Swindon headquarters.

*

Mr William L. Gunlicks, senior vice-president with Continental Bank, has been appointed a managing director of CONTINENTAL ILLINOIS, London. Mr Peter J. Ackland was named an associate director. Mr Aule D. de Bournet, Ms Linda Yankou Crammond, Mr Charles T. Kramer, Mr Andrea A. Morante, Mr William Warden Rinehart, and Mr Graham L. Walker were appointed managers. Mr Mark A. Blundell and Mr Nicholas H. M. Priddle were named assistant managers.

Focus on redundancy

Mr D. A. G. Sarre has been appointed chairman of the Forum for Counselling and Unemployment Services (Focus), a joint venture set up by the London Enterprise Agency and Whitbread and Co. Mr Sarre is a director of Boots and Toynbee Hall and is a former director of British Petroleum. Other directors appointed to the Focus board are Mr G. Gosney (United Biscuits (UK)), Mr R. M. Martineau (Whitbread and Co), Mr J. E. Moorhouse (Shell UK) and Mr B. S. Wright (London Enterprise Agency). Miss B. M. Litchfield, seconded from Whitbread and Co, has been appointed managing director. Focus provides redundancy counselling and job search services under contract to large companies. Its profits are ploughed back into job creation schemes and enterprise agencies.

SCOTTISH SAVINGS BANKS

Getting up to date . . . 173 years on

By William Hall, Banking Correspondent

"I WAS 56 last month and I do not feel old enough to put my feet up although I am three years past retirement age in the Hongkong & Shanghai Bank," says Ian MacDonald, who is being brought back from New York to run TSB Scotland—the first new clearing bank to be formed north of the border for more than a century.

The Scottish savings banks are an independent bunch and proud of the fact that Scotland is regarded by most people (French and German bankers excepted) as the birthplace of the world's savings bank industry. They even have a brass plaque to prove it. In the parish church of Ruthwell, Dumfriesshire, it commemorates a former minister, the Rev Henry Duncan, as the "father of savings banks."

The Rev Duncan opened his first savings bank in a small white bothy in Ruthwell in 1810. He was convinced that the importation of the English poor law would destroy the independence of the Scottish people, lessen their incentive to work, loosen family ties and sap initiative and vigour. By setting up a savings bank he hoped to encourage thriftiness.

A year later the Edinburgh-based Society for the Suppression of Beggars started a savings bank and soon the idea was being copied around the world.

Savings banks now are very different from what they were in Rev Duncan's day but although the numbers have dwindled over the years the Scottish savings banks have always played a much more important role, relative to the Scottish banking market, than the savings banks in England and Wales.

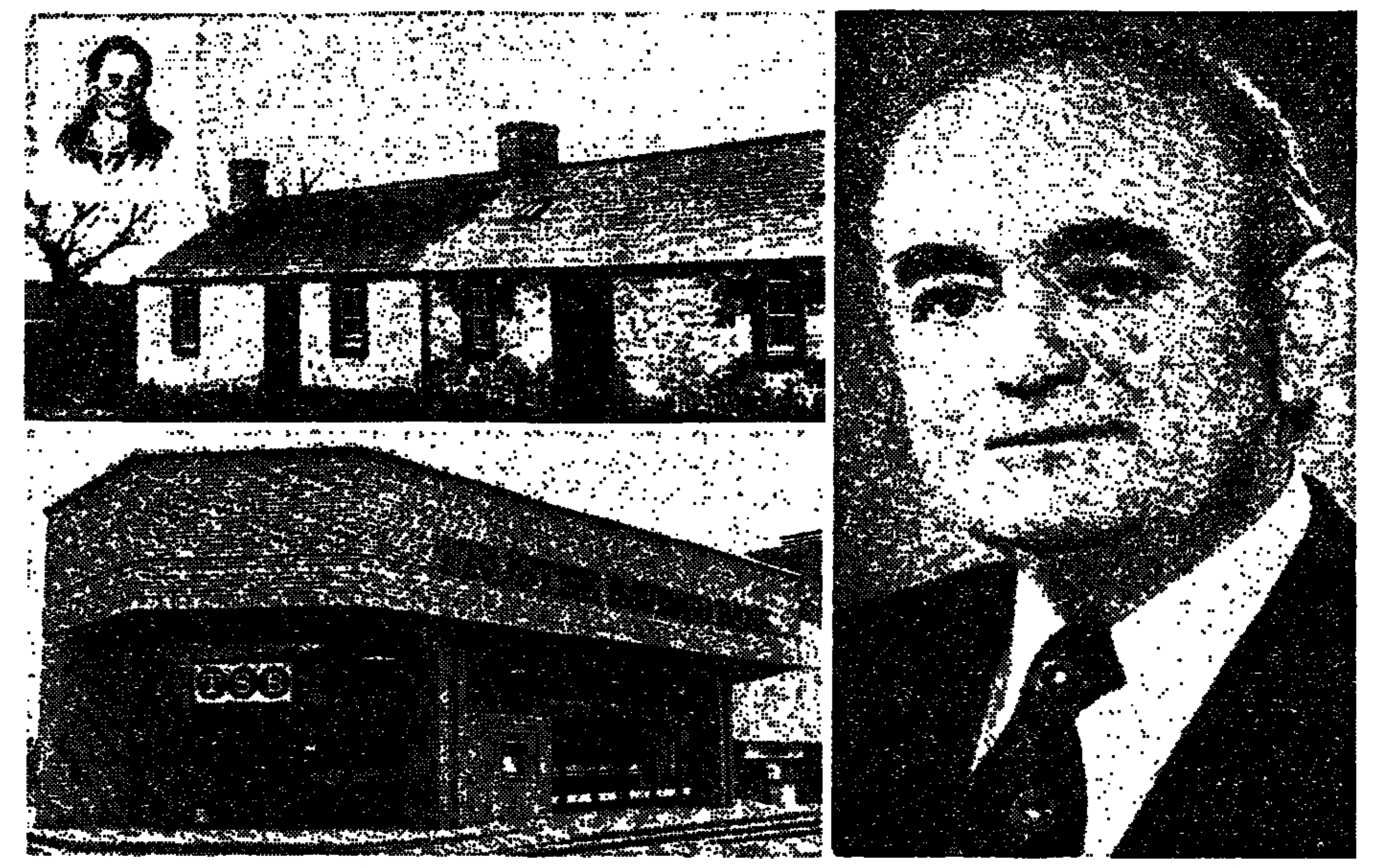
As a group they have assets of £1.2bn. 286 branches and 2,500 staff which makes them slightly smaller than the Clydesdale Bank, the smallest of the three Scottish clearing banks. But with 2m customers (one in four Scots have a TSB account) they have tremendous potential and this is what is worrying the Scottish clearing banks.

Customers of Scottish savings banks have traditionally put a greater proportion of their money in passbook savings accounts than has been the case with the English clearing banks. Scottish customers have been brought up to expect a decent rate of interest on their savings.

However, the Scottish savings banks have been far less successful in developing their full chequing account facilities which more and more local retail customers are demanding. Clydesdale Bank, in particular, has provided the Scottish TSBs with stiff competition in this area since it has been offering free banking to any Scot who *keeps his or her bank account* in balance.

The Scottish TSBs have also been slower than some other savings banks in the UK in developing their personal lending. Although it is six years since the TSBs were allowed to make personal loans, the Scottish banks are still very underlent compared with some other TSBs and, more important, compared with the Scottish clearing banks.

The final area where the Scottish savings banks have hardly dipped a toe is in the corporate lending market, which has traditionally been dominated by the Scottish clearing banks but where English and foreign banks have been making increasing inroads over the last few years.



Rev Henry Duncan's first savings bank (top left); a modern TSB in Scotland (bottom left) and Mr Ian MacDonald (right)

In common with TSBs in the rest of the UK the Scottish TSBs are in the process of reorganising themselves and developing into fully fledged commercial banks offering the full range of banking facilities. The Scottish TSBs are further *ahead than their English* cousins and a single Scottish TSB is to be formed on May 21, 1983 when the four local TSBs finally merge. As part of the plan the new bank will seek fully recognised status under the 1979 Banking Act and will join the Scottish clearing centre in Edinburgh later this year.

For the Scottish savings banks, 1983 will probably be the most significant year in their history since the Rev Henry Duncan set up his first savings bank just over 170 years ago. They will take their place among the ranks of Scottish clearing banks.

However, they also have to get to grips with a number of daunting tasks of which the most important are: a need to hold on to their 2m-strong customer base in an increasingly competitive market; the need for a sharp improvement in the profitability of many of the TSB's small Scottish branches; an ability to maintain strong links with the local community *while reaping the benefits of* being part of a much larger group; and, finally, TSB Scotland has to develop a commercial lending capability plus a willingness to do some international business if it is to convince the Bank of England that it is worthy of recognised banking status.

This is where Mr Ian MacDonald comes in. The Scottish TSBs have realised that if they are to fulfil their ambitions and take their place alongside the other Scottish clearing banks, they will have to swallow their pride, and look outside for some expertise in the areas where they are deficient.

They have been lucky to find a banker of the stature of Mr MacDonald who should be able to hold his own in Scottish clearing bank circles, especially given the depth of his international expertise. Normally, bankers do not retire until 60 which reduces the number of possible contenders for the top job at the TSB Scotland. But Mr MacDonald's bank, Hongkong & Shanghai, differs from most banks in stipulating that its executives retire at 53, normally. Mr MacDonald is an exception in having stayed on an extra three years already, and was due to retire this year.

By a quirk of fate Mr MacDonald can claim some knowledge of Scottish savings banks since he started his career with the local TSB in his native Inverness. But like so many Scottish bankers he made his career in an overseas bank, and joined the Mercantile Bank of India, which was taken over by the Hongkong & Shanghai Bank in 1959.

He notes with some pride that his deputy in Hong Kong, Willy Purves, was also a Scot, as is Angus Petrie, his deputy in New York, where he has overall responsibility for the group's interest in the Americas.

Given the traditional fierce independence of the Scottish banks and their under-exposure in many of the growth areas of Scottish banking, Mr MacDonald's task will not be an easy one. But as an outsider who has had a successful career in a major international bank he should find it easier than a local savings banker in pushing through the sorts of reforms which will in turn lead to TSB Scotland being taken seriously in the commercial as well as the retail banking markets.

One of his first tasks will be to help sort out the delicate problem of where the headquarters of TSB Scotland should be located. At present the head offices of the four local TSBs are located in Edinburgh, Glasgow, Aberdeen and Dundee.

As the biggest local savings bank, the West of Scotland TSB, is based in Glasgow, this would seem a natural base but there are several bankers who feel that Edinburgh, as Scotland's financial capital, should also lay claim to the headquarters. Others feel that TSB Scotland should plump for an independent head office site in a place such as Dundee.

In Scotland these sorts of issues are playing an important part in the early stages of the new clearing bank.

Meanwhile, one or two small savings banks in Scotland feel sufficiently strongly that, despite the move to larger groupings, they are continuing to soldier on independently.

The Airdrie Savings Bank, which was established in 1835 is one of the few. It has £26m *in assets and 80,000 customers.* Back in 1835 when the lifeline of state protection was thrown to savings banks in Great Britain, and led to them becoming Trustee Savings Banks, the Airdrie Savings Bank decided to go it alone. And today it still feels the same even if this means it has to accept the ignominy of becoming a licensed deposit taking institution.

"We still relish our independence. We feel we have made the right choice and are able to make quick decisions at our local level without being beholden to anyone else," says one of Airdrie's senior managers.

Tornado builders tempt Greeks with fish

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

WHAT do fish and the Tornado combat aircraft have in common?

The obvious answer is nothing—except when both are components of a potential major export deal.

Panavia, the three-nation consortium which manufactures the Tornado, will discover over the next three months whether its costly fighter-bomber will find its first export customer. Once upon a time, aircraft and money might have been all that was needed to complete such an export deal.

Today, in its attempt to persuade the Greek Government to buy Tornado against competing aircraft from McDonnell-Douglas and General Dynamics of the U.S., and Dassault of France, Panavia has gone much further than offering substantial manufacturing offset for the actual aircraft.

Acting as a "broker," it has offered offset in other defence products, like sea-bed mines and missiles, participation of Greek aerospace industry in production of small civil aircraft, and the participation of non-defence industries in Greece in the transfer of solar and wind energy technology—and in modern fish farming technology.

Panavia—a consortium of British Aerospace, Messerschmitt-Bölkow-Blohm of Germany and Aeritalia—has not put a price on the deal—for "60-100 aircraft." Each equivalent aircraft in Britain—known as the ground attack version, or GRI—is costing the Ministry of Defence about £15m at 1982 prices.

Final negotiations with Greece, says Panavia, should be completed by the end of the month. Final prices will be submitted by mid-March. Greece is expected to announce its decision before June.

Tornedo's other potential customer is Spain, where negotiations are at a much earlier stage. Spain has in fact signed a letter of intent with McDonnell-Douglas to buy 84 F-18 aircraft. However, the purchase, contested by the Socialist Party during last year's election campaign, is now on ice while the Spanish Air Force evaluates Tornado's operational capability.

Last weekend, Panavia received official confirmation of the request to evaluate the aircraft. Panavia will submit an initial proposal based on 84 aircraft—64 GR1 ground attack aircraft and 20 trainers.

The Spanish airforce is expected to send a flight evaluation team to Germany shortly. If the results are satisfactory. Panavia will then be asked to submit a much more detailed proposal. This is likely to contain offsets as wide-ranging as those being offered to Greece, company officials say.

Either contract would be a major plus for Panavia, since Tornado has so far failed to win export orders. Overall a total of 809 aircraft are being produced for the RAF, the Luftwaffe and the Italian Air Force.

EXPORTERS AT WORK

Insect-eyed Optica collects a fan club

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BUYERS worldwide are showing increasing interest in a new light British aircraft that is challenging the helicopter in its ability to fly slowly for a wide range of tasks, at a substantially lower cost.

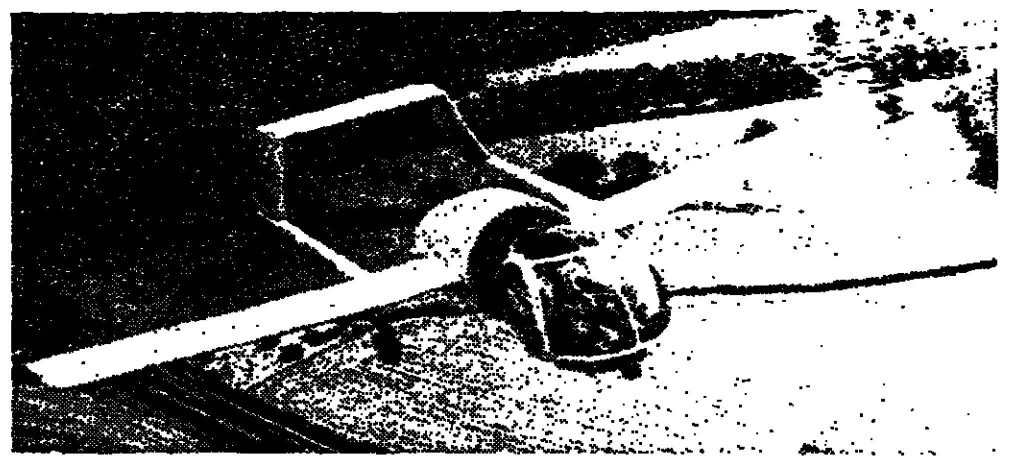
Called the Edgley Optica—so-named because of the excellent vision afforded by the bulbous "insect-eye" cockpit — the £55,000 aircraft is being built by Edgley Aircraft at its own airfield at Old Sarum, near Salisbury, Wiltshire.

Designed by Mr John Edgley, chairman and managing director of Edgley Aircraft, the aircraft has attracted considerable attention since it first appeared at the 1980 Farnborough Air Show, and of subsequent air shows in Paris in 1981 and Farnborough last year.

The Optica is intended primarily as an observation aircraft. The pilot and two observers in the cockpit have a 270 degrees panoramic view and can see almost vertically downwards at each side and 45 degrees downwards looking ahead.

As a result, a wide range of uses is opened up—aerial photography, television, press reporting, security patrols, traffic watch, oil and gas pipeline inspection, forestry patrols, power-line inspection, coastguard patrols, archaeological exploration, tourist sightseeing, agricultural duties, game spotting, frontier patrols, geological surveying and aerial mapping, apart from normal transport and communications.

Powered by a U.S.-built Avco Lycoming engine driving a fan, shrouded in a circular duct behind the cabin, the aircraft can loiter at 57 mph, with a stalling speed as low as 46 mph. This makes it ideal for any form of aerial work requiring slow, steady and stable flying. The range is nearly 600 nautical miles, including reserves.



The fan-driven Optica which can "loiter" at just 57 mph

It is not surprising that the Optica has attracted such attention, and is challenging the helicopter in many roles—for it is about one-third of the price of a helicopter, its operating costs are much less, and it is much quieter.

The aircraft is now in full production at Old Sarum, with an initial run of 200 aircraft planned. Firm contracts total 26 aircraft, but many more aircraft are in negotiation at home and overseas.

The company so far is small (the investment so far is about £2½m), employing only about 40 people, but it is seeking at least another 40 workers, such as fitters, to help cope with the rising work-load.

The aim is to build production up to a rate of two aircraft a month by this September, then to three a month by next year, and to four a month by the end of 1984.

Japan cuts exports of cars to Canada

TOKYO — Japan yesterday unilaterally announced a cut in car exports to Canada during the first six months of this year.

The Ministry of International Trade and Industry (Miti) said exports would be restricted to less than 79,000 units against about 90,000 units in the same period a year ago.

The figure was still 3 per cent higher than 63,000 cars shipped in the latter half of last year.

The voluntary restrictions by the Japanese car industry followed an agreement with the U.S. at the weekend that Japan would continue its policy of restraining car exports to the U.S. to 1.68m units into a third year from April 1.

A Miti official said he hoped Japan and Canada would soon start talks to set the level of car exports for the whole of 1983 as agreed upon last week between Mr Gerald Regan, the Canadian External Affairs Minister, and his Japanese counterpart, Mr Sandandri Yamanaka.

In 1982, Japanese exports captured almost 30 per cent of the Canadian car market despite officially sanctioned customs delays in Vancouver.

Reuter

BASF in talks with Mitsubishi

LUDWIGSHAFEN: BASF, the West German chemical company, said yesterday it is considering a joint venture with Mitsubishi Electrical Corporation to produce magnetic data storage tapes and disks in Japan.

BASF said the proposal to build a Japanese production facility was still in the discussion and study stage but that a decision could be expected shortly.

A spokesman said the Japanese market for such data processing accessories was growing fast and is projected to be worth DM 1bn ($416m) by the end of the decade.

BASF, which has about a 10 per cent world market share in this field, produces magnetic tapes and floppy disks at Willstaett, West Germany, at Bedford, Massachusetts, and at Guarantingeta in Brazil.

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Argentina-India shipping plan

By K. K. Sharma in New Delhi

AN India-Argentina shipping service is to be launched to provide direct and quicker cargo movement between Indian and Latin American ports. The service is to be operated jointly by the Shipping Corporation of India and Elma, the Argentine shipping line.

An agreement is to be signed by the two lines soon, according to Sr Rodolfo Hernandez, Far East traffic and operational manager of Elma. This would provide for shipment of goods in containers and transhipment, when needed, would be done in Elma's warehouse in Singapore.

Trade between India and Latin America is nominal at the moment. One reason for this is thought to be lack of a direct shipping line. It is hoped Argentina, because of its location, will become a gateway for Latin America after the new shipping service is launched, possibly within three months.

Tax boost to Thai tourism

By Jonathan Sharpe
In Bangkok

THAILAND's tourism industry, this country's second largest foreign exchange earner, is expected to be boosted by a reduction of the Government tax on hotel rooms.

Thai officials said the Government had agreed in principle to lower the tax of 16.5 per cent – the highest in South-East Asia – which is added on to first-class hotel bills and paid by the customers.

A new rate has not been fixed, but the officials said it was likely to be about 11 per cent, which would still be one of the highest rates in the region.

Thai hotel owners have argued that the 16.5 per cent tax is harming Thailand's tourist industry, whose total earnings last year were Baht 21.5bn ($900m) at a time when world recession has slowed tourism's rapid growth of the past two decades.

There is also a glut of hotel rooms in Thailand at present. During a tourism boom in the late 1970s several new hotels were started in Bangkok which are now nearing completion. By the end of this year there will be a total of more than 16,000 rooms.

Among the new hotels is the Bangkok Peninsula, the latest addition to the Hong Kong-based Peninsula group. Executives at the new hotel say they will count themselves lucky if they achieve 50 per cent occupancy in the first year.

Hotels are resorting to massive discounts of up to 50 per cent in an effort to attract visitors.

Abu Dhabi's oil drilling opened to local groups

BY OUR ABU DHABI CORRESPONDENT

LOCALLY-OWNED drilling companies are succesfully moving into Abu Dhabi onshore drilling operations. Until recently, foreign drilling companies had over a dozen rigs on the onshore oilfields, but the main operators have been told by ADCO, the 60 per cent state-owned onshore operating company, that their contracts are not being renewed this year. This includes one company which had 12 years with ADCO. Companies affected include the UK's Geoprosco, Italy's Saipem, Westburne of Canada and Pool Inter-Drill of the U.S.

ADCO, whose minority shareholders are BP, CFP, Exxon, Mobil, Partex and Shell, announced late last year that it was going to cut back on its drilling programme. At that time it had 24 rigs and the number is expected to fall to 16 by the end of 1983. All foreign-owned rigs apart from two operated by the French company Forex, are being replaced by locally-owned ones, or else are not being replaced at all.

Abu Dhabi's national drilling company – a wholly-owned subsidiary of the state oil company ADNOC, by now has a total of 12 rigs in operation in Abu Dhabi, five of them onshore with ADCO.

A private company, DANA, has been established for some years in the oil-service industry, and has two rigs with ADCO.

Three other local companies two of them newly-formed, have raised finance totalling $42.5m, in the last year to launch their operations, with the aid of Abu Dhabi Investment Co (ADIC).

Onshore rigs normally cost about $15m–18m each. In the present world-wide drilling slump, the local companies should be able to purchase rigs at attractive prices, but those contractors who are being released will find it difficult to get alternative work. One operator said "the only country in this part of the world where there is any hope of new business is Oman. Down there its like a rig-operator's convention."

SHIPPING REPORT

Outlook is brighter for dry cargo market

BY ANDREW FISHER, SHIPPING CORRESPONDENT, IN LONDON

SPIRITS picked up a little last week on the dry cargo markets. But the tanker side remained depressed, with trading sparse and rates poor.

Denholm Coates reported that dry cargo rates continued to inch ahead, with larger Atlantic tonnage in the limelight. Rates of $9 a ton were paid for 70,000 tons of grain from the U.S. Gulf to Europe and $16.80 for 50,000 tons to Japan, both slightly up on January.

The shipbrokers also noted a rise in inquiry for large tonnage to carry iron ore. But the whole of the Far East market, spanning South Africa, the Red Sea, the Gulf, India, Australia, and Japan remained poor.

Although some of the rates rises appear large over recent weeks, Denholm added, "it should be appreciated that most rates, even in the Atlantic, are still below European operating costs anyway (with no contribution to financing)."

● Container ships have suffered from recession and over-capacity as much as any other sector of the world's fleet.

After looking at bulk carriers and tankers in past weeks, this report will outline container prospects, still generally seen as gloomy for some time to come.

The fleet is around 1,300 ships with a capacity of 1.23m TEUs (twenty foot equivalent units, the industry's basic measurement). Over the next few years, a 10 per cent rise is expected, though this could be more if U.S. Lines goes ahead with its 14 ship order of 4,000 TEUs each.

Tilney, the UK stockbroking concern, said over-capacity in this market was about 20 per cent. While some surplus was normal to enable ships to keep to their rigid route schedules, this level was high.

Nor did it see much sign of improvement, with new ships being delivered and trade stagnating. Last year, it estimated, TEU movements at world ports rose by only 5 per cent to 42m.

Previous years had seen much higher increases, but demand for manufactured goods has slowed down in the slump and most liner trades have completed the process of containerisation.

Any upturn in the container market still looks as far away as ever, said Galbraith Wrightson in its January review. Increased inquiry in the month did not result in new business. "Any optimism of owners or brokers appears to be fading fast."

Iran plans to increase size of tanker fleet

IRAN'S Supreme Economic Council yesterday approved a plan to increase the number of vessels of the Iranian shipping line in order to reduce the amount of compensation being paid to foreign vessels for delays at Iranian ports, reports the Iranian news agency.

London shipping officials said compensation must be costing Iran enormous sums as a great number of ships are being delayed around Kharg Island.

An increase in the Iranian fleet will mean further laid up tonnage in Western fleets, although not for some time, they said.

The Iranian fleet has only one or two very large crude carriers (VLCC) at most in its fleet and would have to spend the next year or so building suitable size tankers, they added.

Tanker brokers and owners said that as Iran would have to pay for an increase in its fleet with oil it would be likely to commission either Korean or Japanese shipbuilders with whom it already has oil supply agreements.

The transfer of more oil tanker business away from Western fleets to the Iranian domestic fleet would have a severe effect on the tanker market, with even greater competition for the declining size and number of cargoes.

Large order for Poclain

PARIS – Poclain, the French construction equipment group, has received an order for 400 hydraulic excavators from Iran.

The order is worth FFr 200m ($29m).

The French company said that in addition the two companies have agreed in principle for HEPCO, Poclain's agent, to manufacture under license two excavators currently produced by Poclain starting next year.

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UK NEWS

Strict immigration controls will be held, Whitelaw says

BY KEVIN BROWN, PARLIAMENTARY STAFF

MR WILLIAM WHITELAW, the Home Secretary, told the House of Commons last night that there would be no relaxation of strict controls on immigration.

Confident of the support of all but a handful of right-wing Conservatives for his revised controls on immigrant male fiances, Mr Whitelaw said restrictions would be kept under constant review.

Mr Whitelaw was making his second attempt to win parliamentary approval for his fiances order, which follows changes in citizenship law in the British Nationality Act.

The right-wing revolt that led to the defeat of his proposals in December appeared to have collapsed, despite the subsequent liberalisation of the rules.

Mr Whitelaw originally proposed that foreign fiances or husbands of women who are British by naturalisation of registration should be allowed to settle on the same basis as husbands of women British by birth.

Conditions allowing deportation of husbands where marriages broke down within a probationary period were later added to placate the Tory rebels, but have now been discarded. The new rules retain a clause putting the onus on immigrants to prove that a marriage has not been contracted solely for immigration.

Goaded by Mr Roy Hattersley, the Shadow Home Secretary, about his change of tack, Mr Whitelaw bitterly attacked the Labour Party's record on immigration – particularly during the two periods when Mr Roy Jenkins, now leader of the Socialdemocratic Party, was Home Secretary.

There were shouts of "Nazi" from the Labour benches, as Mr Whitelaw refused to reject a suggestion by Mr Tony Marlow, a Conservative MP, that immigration by Asian men to join wives in Britain could be regarded as marriage for immigration purposes because Asian wives would normally travel to join their husbands.

Mr Hattersley was joined by Mr Alex Lyon and Mr Stanley Clinton Davis, both Labour MPs, in pressing Mr Whitelaw for guidance to immigration officers on the criteria for judging the validity of marriages. Mr Whitelaw said: "What these rules do is simply change the burden of proof. I do not believe there is any vagueness."

Mr Whitelaw said it was right to use the definition of citizenship in the British Nationality Act to determine which women had the right to have fiances settle with them.

But he added: "At the same time, it is necessary to ensure that there are proper safeguards against abuse of the rules by people using marriage as a convenient means of obtaining settlement here."

He said he had accepted that a two-year probationary period placed too much strain on marriages. Any immigrant whose marriage was genuine had nothing to fear from the need to prove its validity.

In one of several interruptions by right-wing MPs, the Home Secretary was urged to give an assurance that the rate of decrease in immigration would continue at present levels. Sir William Clark sought a guarantee that the Government would take action if immigration began to increase.

Mr Whitelaw said no one could foretell how circumstances might change. Any government had to be prepared for unexpected developments. But he added: "Our policy will be subject to continuous re-examination in the light of the changing circumstances. We shall not abandon the strict policies we have been pursuing."

Mr Hattersley said the new rules discriminated against women and against black and Asian citizens.

The Government, and factions of the Conservative Party, had made themselves look ridiculous in manoeuvring over the rules. Mr Whitelaw "held out the hand of friendship to his bitterest critics, and they stamped on his fingers."

The rebels would troop into the Government lobby to vote for a single safeguard, where a few weeks ago several more had been insufficient.

Isle of Man stiffens controls on banking

By William Hall

THE ISLE OF MAN is to set up a new supervisory authority to police the island's 50 banks and will back it up with new banking legislation to ensure that the new authority can do its job properly.

It is part of the Manx Government's efforts to improve the island's reputation as an offshore financial centre after the collapse of two local banks last year which cost depositors more than £20m.

The banking crisis shook the Isle of Man Government which has always prided itself on its finanical independence from the UK.

The Bank of England seconded two officials from its own bank supervisory division to the Manx Treasury. They were asked to examine the adequacy of the local system of supervising banks and to recommend improvements.

Although their report has not been published, it is understood to be highly critical of the local system of supervising banks which prevailed before the collapse of the Savings and Investment Bank (SIB).

Mr Percy Radcliffe, chairman of the Manx Executive Council (the equivalent of Prime Minister) told Tynwald, the island's parliament, yesterday, that it would be inappropriate to publish the report in advance of a separate report into the failure of the SIB.

Surge in car sales

REGISTRATIONS of new cars so far this year have been running at an annual rate of 1.73m, equal to the record set in 1979. Well over 74,000 new cars were registered in the first 10 days of February, with demand stimulated by the ending of hire purchase controls and aggressive marketing campaigns.

Investment plea

PRIVATE SECTOR investment must take the major contribution to financing the revival of Britain's decaying industrial areas, Mr Tom King, the Environment Secretary, said in the House of Commons yesterday.

Union will accept inquiry verdict

Thatcher in call for end to water strike

BY PHILIP BASSETT

MRS MARGARET Thatcher, the Prime Minister, yesterday called on water workers to end their strike as union leaders and employers met to establish fully the committee of inquiry into the water pay dispute.

Speaking in the House of Commons, Mrs Thatcher said: "There is absolutely no point in prolonging the strike action that is causing so much hardship to so many people.

"I understand both parties to the dispute have agreed to accept the findings of a committee of inquiry." She said if that was so, then maintaining the strike was pointless.

Mrs Thatcher's comments came as both union leaders representing 28,500 striking manual workers in the water supply and sewerage industry and the National Water Council returned separately to the Advisory, Conciliation and Arbitration Service to agree both the terms of reference and the composition of the members of the inquiry into the pay dispute.

These detailed discussions with Mr Pat Lowry, Acas chairman, followed a breakthrough early yesterday morning in which both sides agreed to accept the findings of a committee of inquiry as a method of resolving the dispute, though this point caused particular difficulties for the employers which stretched over more than three hours of the five hours of discussions.

The agreement makes clear that no further substantive negotiations will take place once the findings of the inquiry have been disclosed. The findings would form the basis for a special meeting of the industry's National Joint Industrial Council (NJIC) to translate it into a full agreement and a settlement of the dispute.

As they arrived for the talks union leaders were optimistic. Mr Ron Keating, chairman of the trade union side, said he was more optimistic about the outcome than he had been at any time during the dispute.

Mr Mick Martin, Transport and General Workers' Union public services' national secretary, said: "I think the worst part is over."

The inquiry which could start taking evidence today is likely to be prefaced by a call for a return to work. The chairman is expected to make such a plea before he begins his work.

However, Mr Keating said, however: "The industrial action will be called off when we have a resolution of the dispute – when we have an agreement with the NJIC."

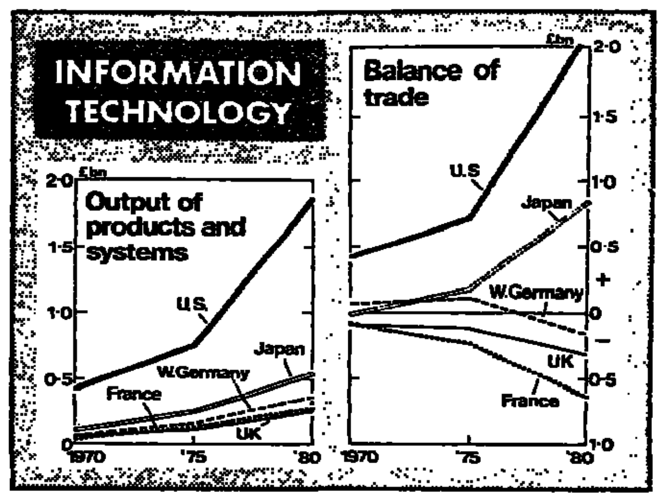
Despite this apparent rejection of both the Prime Minister's call and the expected call of the inquiry chairman, union leaders acknowledged privately yesterday that there might be a return to work by many strikers once the committee of inquiry had been announced. The employers would be likely to try to encourage this movement.

More than 60,000 properties in England and Wales are now without mains water supplies, and about 7.6m people are being advised to boil their water before use.

UK warned over weakness in selling information technology

BY JASON CRISP

BRITAIN'S commercial weakness in information technology industries will get significantly worse without a co-ordinated programme between government and industry, according to a report published by the National Economic Development Office



The report, by the information technology Sector Working Party (SWP), notes that Britain's trade deficit in the sector could soar from its current level of about £150m to £1bn by 1990. Information technology includes telecommunications, electronic office equipment and computer software and hardware.

Britain's objective, the report says, should be to achieve an even balance of trade by 1990, which would mean reversing the current trend and increasing the UK's share of world markets.

Britain's output of information technology products has been rising at about 20 per cent a year. But the SWP points out that this is half the rate of the U.S. and Japan. In addition to the powerful positions of the U.S. and Japan, it notes that France and West Germany both have national policies to encourage the international success of their own industries.

The report warns of the inherent weakness of Britain's information technology industry, which is relatively small and fragmented, and states that government initiatives are uncoordinated.

The SWP suggests that Government departments and the main organisations involved should agree common objectives, such as current approaches to technical standards. These include public procurement, training and education, publicly-funded research and development and inward investment.

To provide more commercial stability, the report states that the Government should develop and announce a five to 10-year strategic framework which would include:

- Continued high level of support for the development of the national telecommunications infrastructure.
- Use of public procurement to promote high quality technology and the adoption of internationally accepted standards.

The report notes that the Government accounts for 40 per cent of the UK market for information technology products and services. "The effectiveness of public sector purchasing is severely handicapped by its extreme fragmentation, which in turn works to the disadvantage of the UK supply industry."

It recommends that the Government co-ordinates procurement to assist UK suppliers reach critical volumes of output so they can compete internationally.

It also suggests that the Government should help to support collaborative ventures between companies which are designed to improve international competitiveness.

The report notes that many British companies are structurally weak compared with their overseas competitors. It recommends that they achieve a greater share of world markets through higher volumes in selected products.

A Policy for the UK Information Technology Industry (NEDO Books, £3)

Poll gives Thatcher bigger lead

MRS MARGARET Thatcher, Prime Minister, has increased her large lead in the opinion polls, despite increased public concern over nuclear disarmament.

A Market and Opinion Research International (MORI) poll in the Standard newspaper yesterday shows the Conservatives with 45 per cent, compared with 44 per cent last month. Labour support has slipped back from 35 to 32 per cent this month, while the SDP-Liberal Alliance has 21 per cent, against 20 per cent in January. The poll was conducted between February 3 and 9.

These figures show that support for the parties has remained remarkably consistent in the months since the end of the Falklands war. The number of people saying that defence was among the most important issues facing Britain increased from 14 per cent last November to 39 per cent this month.

Overtime ban

UNION delegates representing more than 100,000 workers in the chemical industry voted yesterday to support a ban on "non-essential" overtime throughout the industry.

Mr David Warburton, national officer of the municipal and boilermakers' union, said: "There is absolutely no defence for high overtime when more jobs are threatened." Union officials will try to ensure that the ban applies to all the major chemical companies in the Chemical Industries Association.

Dutch salvage bid

A DUTCH salvage team hopes to make a second attempt this week to pull upright the ferry European Gateway which is still lying on its side off Felixstowe, Suffolk, after a collision in December in which six people died. The first attempt failed when a winch cable snapped.

Cable TV warning

UNREGULATED expansion of cable television could damage the UK economically and culturally, a Trades Union Congress delegation will tell senior government ministers at a meeting in Whitehall this evening.

Delay on rules for licensed dealers

BY ROSEMARY BURR

TOUGH NEW rules on licensed dealers in securities due to be introduced last month will now be delayed at least until Easter.

The Department of Trade has fallen badly behind its original timetable because of extensive redrafting after criticism from leading City of London institutions.

Dr Gerard Vaughan, Minister for Consumer Affairs, has conceded that some of the department's original proposals were unworkable. In particular, he has accepted the view of the National Association of Security Dealers and Investment Managers (Nasdim) that it was impractical for licensed dealers to insure against unlimited liability.

The department is sticking frimly to the view that intermediaries who market unit trusts require a licence. As a result there has been a rush of new applications for licences.

Leading members of the unit trust industry are concerned that the department is unable to meet this extra work load and fears that queues are developing.

The department admitted yesterday that "actual waiting time for licences had increased." It said "We are working at developing procedures to deal more quickly with applicants, but do not want the operation to become a rubber stamp."

At the end of January last year, 419 principal licences were vaild. A year later the figure had risen to 481.

The department said that it had noticed an increase in the flow of applications since last October and added that not all these had yet been processed.

Fewer than 20 civil servants are responsible for processing licences and authorising unit trusts. One of Nasdim's chief concerns was that the department would have insufficient staff to operate more stringent policing of licensed dealers. The department said yesterday that it had "some ability to redeploy staff."

Last week, a small Chiswick-based licensed dealer in securities, Langford Scott and Partners, ceased trading just three months after the department had renewed its licence. The department is now looking into the company's affairs.

Managers fail in bid to buy 17 railway hotels

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

THE SENIOR management of British Transport Hotels (BTH), who formed a company to bid for 17 of the hotels, revealed yesterday that they had been unable to raise the necessary money. They had intended to raise £35m.

BTH, a subsidiary of British Rail, has put 21 of its hotels on the market. The sale is part of the Government's privatisation plans for sectors of state-owned industries.

The managers' new company, which was advised by Kleinwort Benson and James Capel, sought to place £12m of ordinary shares and £23m of first mortgage debenture stock. The sum of £35m was considered sufficient to purchase 17 of the hotels, refurbish them, and have enough cash to operate the company.

Meetings took place last week in attempts to raise the money. But by Monday, when the public tender for the hotels closed, it was apparent that the gap between the money raised and that required was too great to go ahead with a bid.

The British Rail Board said yesterday that it was disappointed for the BTH management team. "The hotels have been starved of investment. In this situation it is easier for an existing hotel company to take on the task of investing and working on minimal profit, until the investment begins to pay off."

Mr Peter Land, BTH managing director who led the management team, put the blame for the failure on the public tender method of sale, which BR had agreed to under pressure from the Government.

"Every advantage," he said, "must lie with an established company with an administration base and an asset base on which it can raise money. We have had to come from behind, create a new company and convince potential investors of its earnings capacity."

The management team was seen by the BR Board and the rail unions as the best hope for keeping most of the hotels together as a group.

The bids which had come in to Morgen Grenfell, advisers to British Rail Investments, the BR wing which is handling privatisation, are now being considered. The successful bidder, or bidders, are expected to be announced within the next two weeks.

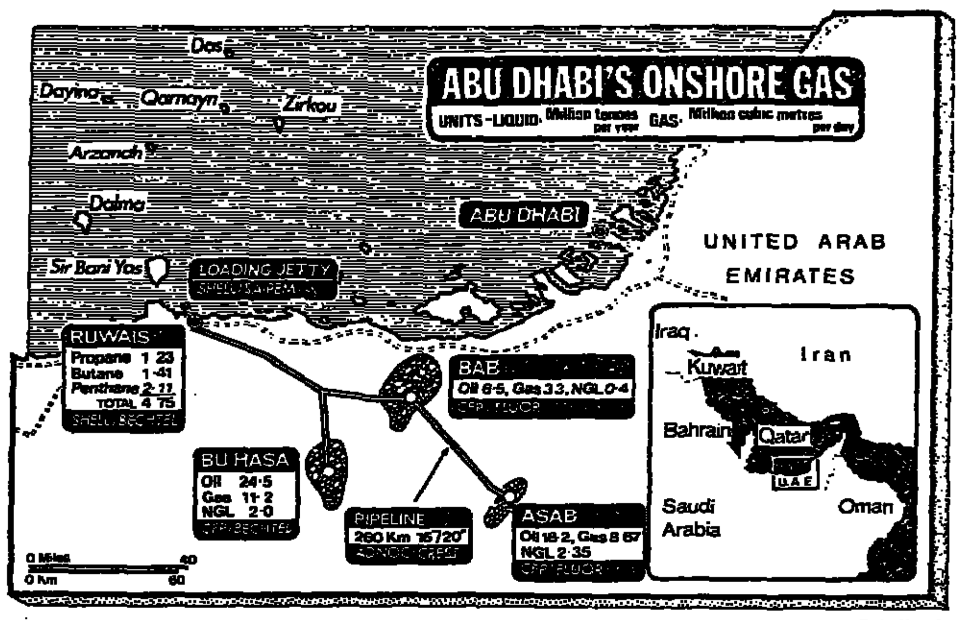
Mr Land had already bid twice for the hotels. Last July, he offered £29m for 17 of the hotels, and in November, he bid £20m for 10 hotels.

But Mr David Howell, Transport Secretary, was anxious that the price for the hotels should be determined by the market and BR agreed to go out to public tender.

ENERGY REVIEW

Oil price slump hits Abu Dhabi gas output

By Richard Johns, recently in Abu Dhabi



Bob Hutchison

DESPITE THE recent changes in the fortunes of the oil producers, Abu Dhabi is still not a place where money is stunted, least of all on the road system. But the desert route from Habshan to Asab remains as it was a few years ago when some 27,000 tons of material were transported along it for the construction of a plant to extract natural gas liquids from Abu Dhabi's second largest onshore oil field. Bulldozed out of the dunes the trail is 40 yards wide and undulates gently for about 60 miles.

One of three such units operated by the Abu Dhabi Gas Industries Company, or Gasco, the extraction plant at Asab is probably as inaccessible as any designed to recover liquid petroleum gas—propane and butane—and condensates. The facility designed by Compagnie Francaise des Petroles and built by Fluor under its supervision is also notable for being a single unit train and probably as large a one as can be built at the present time. The advantage from the economy of scale is obvious. But as one of the senior Gasco plant managers says: "The disadvantage is that once a machine shuts down we lose all production without a standby."

In 1982 only one day's output from Asab, the equivalent of 440 tons of LPG, was lost compared with 30 days allowed for. The lack of operational disruption has been a cause for satisfaction for Gasco, the concern owned by the Abu Dhabi National Oil Company — ADNOC—(68 per cent), CFP (15 per cent), Shell (15 per cent), and Partex (2 per cent). Performance has been satisfactory, too, at the extraction plants built to process the associated gas from the Buhasa and Bab fields near the coast, which together with the one at Asab are connected by 140 miles of pipeline to the fractionation complex and shipping terminal at Ruwais, constructed under Shell's supervision by Bechtel.

Full potential yield from the system is up to 4.75m tonnes—1.23m tonnes of propane, 1.41m tonnes of butane, and 2.11m tonnes of condensates. It was not for technical reasons that total production last year was only 2.2m tonnes—made up of about 550,000 tonnes of propane, 660,000 tonnes of butane, and 960,000 tonnes of condensates. Like similar projects in the Gulf, Gasco's scheme has been directly affected by declining oil production. It was designed to

Production sharing programme

harness and process the gas associated — some 23m cubic metres a day—from nearly 1m b/d of oil production.

Since April of last year, however, it has been no more than 500,000 b/d in conformity with the limit imposed when the United Arab Emirates accepted a ceiling of 1m b/d as part of the Organisation of Petroleum Exporting Countries' attempt at a production sharing programme. Out of this total Abu Dhabi apportioned itself 850,000 b/d. Another 250,000 b/d has come from the offshore fields of ADMA-OPCO, the somewhat cumbersome name given to the group composed of ADNOC (60 per cent), British Petroleum (14½ per cent), CFP (13½ per cent), and the Japan Oil Development Company — JODOCO — (12 per cent). The balance of output, about 100,000 b/d, has been from Abu Dhabi's smaller fields.

ADNOC embarked on the project in 1978 in conjunction with CFP, Shell and Partex—three of the six partners in the Abu Dhabi Petroleum Company consortium, the original concessionaire onshore and the state oil corporation's 40 per cent partner in the operating group there, named ADCO, since the assertion of majority control by the Government in 1974. In 1977 all of them had pulled out after signing a heads of agreement. BP, Exxon and Mobil did not reconsider their decision. Inhibitions on the part of the western companies were related to the long dispute with ADNOC over the scale of the secondary programme and investment required for prolonging the life of the field, as well as Government policy on depletion rates.

Implementation finally began with the cost estimated at $1.6bn of which $1.2bn was provided by a concessionary loan from the Abu Dhabi Investment Authority, at a rate of 2.26 per cent interest, and the rest from shareholders' funds. An amortisation period of 10 years was set. At the time the production ceiling for the fields operated by ADCO was set at little more than 1m b/d although the western companies in the consortium regarded maximum capacity at 1.3m b/d.

The project was finally completed in May 1981 on schedule and at a cost of $2.11bn, within the revised and final cost estimate of $2.2bn. A further $400m was provided by the ADIA, apparently at commercial rates, giving it a 76 per cent share of the total financing with the rest in the form of share capital, 20 per cent, and shareholders' loans, 4 per cent. By the time the Gasco complex was commissioned ADCO's maximum allowable output had already been cut once before it was further reduced last spring. In practice, the actual rate possible under the reservoir management, production techniques and other restraints insisted upon by ADNOC is understood to be more than 600,000 b/d.

Gasco was not alone in experiencing the cost of such a project increase — and like other natural gas ventures in the Gulf it has seen a fall in availability of its raw material as oil production has declined. The escalation in the cost of the Arabian American Oil Company's Master Gas Plan was far more dramatic and the fall in Saudi output of the light crudes on which it depends has been proportionately much greater than for Abu Dhabi's onshore crudes. As a result, Petromin, the Saudi state oil corporation, is having some difficulty in fulfilling contractual obligations. Kuwait, meanwhile, was unable to meet its commitments last year.

Much else has changed in the meantime. In 1978 the shareholders only foresaw a price of about $120 per tonne for an average mix of propane and butane. Gasco's prospects improved radically in 1979 with the escalation of oil prices. In the first half of 1981 it rose to over $300 per tonne in the Gulf. Having subsequently dropped, prices have firmed up again precisely because of the fall in oil production. The ironical aspect of LPG—the "end of the hydrocarbon chain" and the swing petroleum product—is that a shortage has generally helped to offset the oversupply of crude oil in the weak international market over the past year.

In line with other LPG producers in the Gulf Abu Dhabi raised its rates for butane and propane recently. As it was, the value of exports of the two products — marketed by the shareholders almost exclusively to Japan — must have been in the order of $300m, while condensates at an average price of $290-$300 would have brought in something in the region of $280m.

Asked about the profitability of the venture in an interview last month Mr Mahmoud Hamra-Krouha, general-manager of ADNOC, said: "We would have preferred more gas. But it has not only been enough to finance the cost of servicing the loan and repaying the debt but also to give a net return, though it is not large for the time being." No details have been revealed about the costing of the gas but it is understood to be covered by a complex mechanism whereby a charge is

Traditionally independent line

made only when a certain level of profitability has been reached. That has yet to be attained and is unlikely to be in 1983.

For the foreseeable future, at least, Gasco cannot expect to receive the volume of gas required to fill the capacity of the system. A realignment of Opec prices and the reallocation of quotas could lead to a small increase of the UAE's share by 100,000 b/d or so. (In practice, the 1m b/d agreed last March has been considerably exceeded because Dubai, true to its traditionally independent line, has consistently pumped at a rate of rather more than 350,000 b/d.) But any modest increment in its allocation is likely to be more than subsumed, as far as Gasco is concerned, by the prospective output from the Upper Zakum offshore field which started test production in January and is scheduled to come on stream by the end of 1983 with an output of 100,000-150,000 b/d, according to Mr Hamra-Krouha. The full capacity aimed at is still, it seems, 500,000 b/d.

Upper Zakum constitutes probably the most costly oil development in the region, not the least because of low gas pressure and the need for extensive water reinjection from the start of production. CFP and BP blanched at the investment in prospect leaving JODOCO, with a 12 per cent stake in the venture, to go it alone with ADNOC, although the French company is the contractor for management and operations. Four years ago the cost of building up capacity of 500,000 b/d by 1983 was put at $2.3bn with output starting in the summer of 1981. Now the investment is estimated at around $5bn for crude comparable in terms of gravity with Arabian Light but inferior in other respects — which Mr Hamra-Krouha acknowledges will cause problems in pricing it correctly.

At the very least ADNOC and JODOCO will want to start defraying the expensive development as soon as possible. That will probable mean output from Upper Zakum by the end of 1983 at the rate indicated by Mr Hamra-Krouha despite the overall squeeze in prospect. As it is, nominations for Abu Dhabi's crude by Japanese companies for 1983 are down to 185,000 b/d from 251,000 b/d last year. The indications are that the cut will fall more heavily on ADMA-OPCO than ADCO. But when Upper Zakum does come on stream Gasco and its requirements can hardly be unaffected.

There are no readily available sources of unassociated—or "cap"—gas readily available to make good the shortfall. As elsewhere in the Gulf the deep Khuff Zone is the most probable source of it in any quantities. But drilling this geological formation below Abu Dhabi's on-shore oil fields—in what Mr Hamra-Krouha describes as "an intensive exploration programme" over a three-year period—has so far had very disappointing results.

Given the lead times involved in developing such deposits of unassociated gas, which anyway contain a much smaller proportion of the rich wet components which go to make LPG, success would not have solved the short-term problems of maintaining Gasco's throughput.

Promising finds have been made offshore under the Umm Shaif field where exploration of the Khuff Zone started in 1981. With three or four more wells planned for this year, development seems almost certain to go ahead.

Another discovery yielding a large flow of gas, the Nasr field, was made late last year. "Offshore prospects seem much better," commented Mr Hamra-Krouha. There, the Emirate's older gas exporting project has been able to make up for the limitation on output from the Umm Shaif and Lower Zakum fields.

Last year the Abu Dhabi Gas Liquefaction Company achieved a record production of 2.2m tonnes compared with a capacity of 2.3m tonnes. Since the project — a joint venture involving ADNOC, BP, CFP, Mitsui and Bridgestone Liquefied Gas Company—came on stream in 1977 it has not had enough associated gas available.

The deficit has been met by drawing supplies from the Umm Shaif gas gap which are not associated with oil production. As a result, though, the plant on Das Island has lacked sufficient quantities of the wet, heavy gases required for LPG produced in conjunction with the LNG shipped to the Tokyo Electric Power Corporation under a 20-year contract. As a consequence, ADLC's production of LPG last year was significantly down on the 550,000 tons recorded in 1981 and further below related capacity of 1.5m tons. That, like Gasco's experience in its first 18 months of operations, is an example of the vagaries to which gas projects dependent on oil are subject.

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½%
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	Mallinhall Limited	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TSB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk. of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11 %		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%. 1-month 8.25%. Short-term £8,000/12-months 10.5%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8½%, £50,000 and over 9¼%.
‡ Call deposits £1,000 and over 8%.
§ 21-day deposits over £1,000 9%.
¶ Demand deposits 8%.
¶ Mortgage base rate.

THE ARTS

James Hayes/Gate, W.11

Rosalind Carne

This one-man show bears the enticing title *A Horde Of Unemployed Ventriloquists*, a reference to the much sought after employees of the Myles Na Gopaleen escort agency. Desperate Dublin females would hire these fellows, knowing that not only would they have a smooth-tongued good-looker to walk out with, but that their paid companion would do the talking for them. Sometimes the lads played tricks, causing chaos in respectable theatres by throwing their voices about the stage and making personal remarks about the audience.

Devotees of Irish literature will recognise Myles as the brilliant writer, alias Flann O'Brien, alias Brian O'Nolan, who produced a daily column in the Irish Times from 1940 until his death in 1966. The agency was one of his regular whimsical inventions, and it appears here as *pièce de résistance* in a compilation of extracts from the newspaper, directed by the performer.

Mr Hayes is somewhat reserved for so outspoken an individual and despite frequent recourse to the spirituous refreshment in his desk drawer, he bears a peculiar air of eager integrity. Moreover, his manner is disconcertingly hesitant, especially when he beams in apparent relief at the end of each sketch.

For the most part, he plays the raconteur, as well as offering helpful advice to his readers.

After a two-week run at this pub venue, the show is due as a platform performance at the National Theatre. By then, some of the continuity problems may have been smoothed out, though Mr Hayes would profit from outside direction. His subject may have been mild-mannered and reticent in private, but a public dramatisation should surely give some hint of the extravagance, the quasi-lunatic genius behind even his modest daily offerings.

Finally, it is a great disappointment to hear nothing from the novels. This is high-class journalism, but what of those lasting creations, the mad scientist de Selby or the policeman in danger of turning into a bicycle.

Alban Berg Qt/Elizabeth Hall

Andrew Clements

Asked to list the half-dozen leading quartets of the present day, most aficionados would surely include the Alban Berg Quartet in their selection. In terms of immaculate ensemble, homogeneous tonal blend, scrupulous attention to detail and rhythmic niceties, the Quartet's Elizabeth Hall recital on Monday night was exceptional. It is rare to hear a programme of Beethoven quartets (especially one including the *Grosse Fugè*) in which technical problems obtruded so little.

When one probed beneath the serene surfaces, however, there was less satisfaction to be found. Every member of the audience will have had his or her own ideal interpretation of each of the works—the F major Op. 18 no. 1, the *Grosse Fugè* and Op. 59 no. 2—and must have found in the Alban Berg's playing the stock on to which they could graft whatever nuances they chose, for this quartet itself kept personal preference to a minimum.

Whether a calculated ploy or not, the method is cunning. Listeners are flattered into enthusiasm; everyone can find something in the anonymity, simply because they can project on to these indentikit performances anything they like. Op 18 no. 1 is in many ways the most astonishing of all Beethoven quartets in its total confidence and arrogant skills; the giant stride forward in thinking it represents was partially conveyed in the Alban Berg's first movement, reduced to trivia in the overfast second and smothered in blandness thence forth. How often, also, has one heard the *Grosse Fugè* delivered far more sketchily and to incomparably more thrilling effect? Here it lay cocooned, lacking all physicality and endeavour.

Words like "humanity" are squandered too often on Beethoven, and one hesitates to repeat the sin. But humanity was precisely what this recital lacked, a dimension lying over and above the sheer technical brilliance that was ever on display. In the second Rasumovsky it would seem difficult not to make the finale charming, but mirth was grimly pursued here, rubbed out by every firm downbow, left to languish in the listeners' minds.

Television/Chris Dunkley

Realism versus imagination

Wendy Morgan and Anton Rodgers in "Pictures", a new series from Central Television

As a one-time news reporter I have long found a particular fascination in the huge variety of ways tried by television to overcome the difficulty of conveying the sheer volume of fact involved in many major current affairs, or historic affairs.

From the brusque staccato of *World In Action* with its tightly edited and densely packed programmes — still the best half-hour current affairs series on television — to the far more diffuse and imaginative style of the drama documentary (such as *Panorama's* recent representation of Polish events) there have been many methods used. However, there seem to have been very few attempts at new ways or even original variations recently.

In particular the single documentary seems to have been marking time for years. Two examples last week, one each from the BBC and ITV, apparently considered fairly important judging by the slots they filled, both turned out to be stylistically familiar to the point of tiredness. This would be of no particular importance if the subjects happened to be really riveting — but of course when the subject is as interesting as all that you hardly notice the style.

Tuesday's programme on ITV, *Titanic—A Question of Murder*, was on a topic which is clearly of obsessional interest to some people. We watched the meeting of a ghoulish Titanic "society" in the U.S., and the very existence of the programme after so many others in the cinema, radio and television is evidence of the story's lasting appeal.

Attempts were made to persuade us that an important new piece of evidence had been unearthed, but this proved to be merely a blueprint showing that the designers had suggested the Titanic could have carried more lifeboats than she did. Since the most obvious thing about the disaster is that the ship had fewer lifeboat spaces than passengers, there can surely never *have been any doubt* about blame on that point.

The real reason for the programme, I suspect, is that the last survivors are now very old and their ranks diminishing fast, so it seemed like a good time to interview them. They were, indeed, interesting, though they raised once again all the old doubts about the reverence with which people tend to treat eye witness "evidence."

BBC1's offering on the following night, *The French Foreign Legion*, was fronted by a reporter in much the same fashion as the Titanic programme (which was presented by Peter Williams). And once again it turned out that the producers were relying on the traditional fascination of the subject itself rather than any startling supply of fresh facts or a new approach.

Near the start there seemed to be implications that with ex-legionnaire Simon Murray as reporter we would be getting the real lowdown on the old stories of brutality and iron discipline. But it turned out that these were only introduced as Aunt Sallies for a film which ended up looking like a recruiting drive. It seems that being a legionnaire is rather like being a member of the SAS but with Mediterranean sunshine and regimental brothels thrown in. All the swarming down ropes and leaping in windows with lots of butch shouting seems to appeal to people who are a touch doubtful about their mas*culinity and need to prove* something to themselves.

By contrast with such over familiar approaches, television drama seems to be going through a period of remarkable experimentation—even if the experiments are mostly of sorts that have been tried before. Robin Midgley has actually gone the whole hog and brought back live drama to BBC2, starting on Sunday with *The Battle of Waterloo* by Keith Dewhurst.

Time was, of course, when the only way that television could present drama (or anything else) was live, as Shaun Sutton, until recently head of BBC Drama Group, recalls in his excellent book *The Largest Theatre In The World*.* Every five or six years the call goes up for a resumption of live drama, and Sutton notes that he is continually asked if it would not be better to return to it: "'Actors loved it,' I am assured. 'It got their adrenalin going.' I acted in a lot of live television, and I can tell you that actors *didn't* love it — they accepted it because there was no other way. It was a chancy, one-off operation, with no hopes of retrieving your mistakes. I simply do not believe that performances were better then. Why should they have been? Actors will always give their best at all times, whatever the conditions."

I suspect that Sutton is right and that the people who want to try live drama are not those who acted in it or produced it in the old days, nor those who have to be out in the spotlight acting in it these days, but the producers and directors who have heard all the nostalgic talk about the good old days and who believe that the actors' adrenalin *will* give an edge to their productions. Maybe so, yet I doubt whether one member of the audience in a hundred can actually detect any difference except when something goes wrong.

> 'Filmed realism is entertaining enough but it tends to emasculate us.'

What seems to be much more valuable than the return to live transmission is Midgley's adoption of a non-naturalistic style for these plays. Having watched Sunday's *Battle Of Waterloo* and — ironically — a videotape recording of Michael Wall's mystical and intriguing *Japanese Style* which will be broadcast as the last in the series on March 13 (it was, I am assured, "recorded-as-live" with no question of breaks or re-takes) I am more than ever convinced that we lose a valuable dimension of drama by concentrating on film and realism in television to the virtual exclusion of taped studio productions.

What is lost is that ingredient which has been fundamental to the experience of drama from the days of Aeschylus under a Mediterranean sky to the days of *Under Milkwood* on the Third Programme: the contribution from the imagination of the audience. Filmed realism of the sort which you see everywhere on television from *Minder* to *The Barchester Chronicles*, is entertaining enough but it spoon feeds the audience and in the process tends to emasculate us.

Now with the most recent plays in the BBC complete Shakespeare cycle (produced, incidentally by Shaun Sutton) making no bones about being studio-bound and with Midgley's series on BBC2 we are once again offered the opportunity to become contributory participants in the dramatic experience.

The Battle of Waterloo was not the best non-naturalistic studio play I have ever seen: there was a tendency, if slight, for the characters to talk the historical research at one another. Yet the technical and visual imperatives which drive studio productions into concentration upon the close-up of the human face suits television wonderfully well. It was thanks to this as much as anything that in the end it was impossible not to be drawn into that vic*torious yet decimated* British infantry square with its grizzled sergeant (Godfrey James giving the evening's best performance) nits terrified new recruit and its terrified new recruit and

Peter Tinniswood's ITV series *The Home Front* is not so much non-naturalistic as periodically non-realistic. In other words the settings, costumes and props are all as near as possible authentic representations of reality as we experience it, but the events within Tinniswood's plots sometimes slip sideways into an unfamiliar dimension.

Thus in *A Gifted Adult* we had Curtis starting out reading the Guardian and moving onto the FT—a logical enough progression except that Curtis was only a toddler; and in last week's play *At The Grammar* the choronology slipped about a bit and Mr Garlick's pupils were sometimes grown ups and sometimes school children but always played by the same adults. Dennis Potter used the same idea in *Blue Remembered Hills*. It could be merely a gimmick, of course, but the proof of the pudding was in the eating: as with Potter so with Tinniswood the trick worked marvellously well.

No doubt there is nothing new under the sun, but it seems at the moment that the drama people are much more ready to dust off some of the ideas abandoned in television's attic—occasionally ideas which were banished there despite having been scarcely tried—than the documentary people whose styles and techniques are currently looking awfully familiar.

* *BBC Publications £10.95.*

Riverside reprieved

The Riverside Studios in Hammersmith which went into liquidation last December has been saved by the intervention of the Greater London Council and the Arts Council.

Four hundred thousand pounds has been allocated for the next financial year, 75 per cent of the amount by the GLC. The Arts Council will make up the balance. Although the plan has yet to be ratified by the GLC's Arts and Recreation Committee, the chairman Mr Tony Banks has no doubts that the proposals will be approved.

In addition, Hammersmith and Fulham Council has offered the Riverside's new trust a 99-year lease on the site at a peppercorn rent. The new trust, which is at present without a chairman, will be composed of Riverside staff, representatives of the funding bodies and other figures from the arts world.

Antigonae/Zürich

Ronald Crichton

While the Zürich's opera house is being thoroughly renovated, the company plays in the Kongresshaus across the water. For August Everding's production of Orff's *Antigonae*, Josef Svoboda used a corner slice of the big rectangular hall for two *wide flights of steps, one steep*, one gentle, placed at an angle to one another, overhung by lowering slabs of masonry, inevitably grey and black. No relief expected, none received.

As a young man, Orff was thrilled by the *Elektra* of Strauss. Later he was knocked sideways by Hölderlin's German version of the *Antigonae* of Sophocles. Strauss, Orff realised, had travelled as far as possible down the late-Romantic path. It took Orff many years to work out his own way of setting Hölderlin/Sophocles—monodic chanting with wrenching leaps to the extremes of the compass, hammering ostinatos in an instrumental accompaniment sophisticated in means but barbaric in effect, with six grand pianos, cohorts of phones and spiels, woodwind, double basses.

I suspect that even for those truly familiar with the Hölderlin version, *Antigonae* is hard work. Yet between them the mesmeric reiterations and the variations of pace and texture, reflecting the Sophoclean contrast of choral comment and individual confrontation, sooner or later compel submission.

Presumably the conductor Ferdinand Leitner, an Orff specialist, conceived this production as a tribute to the composer, who died at a great age last year. It was not, as it turned out, an event to convince waverers. Everding filled Svoboda's asymmetrical acting space with sweeping movement, long exits and entrances. Nothing rigid or static. No masks. So far, fairly good. But the musical ensemble was fuzzy, not taut or precise as in Leitner's fine Deutsche Grammophon recording.

Rose Wagemann's Antigone was sound, dignified, a little ponderous. The solid-voiced baritone Roland Herrmann sustained the killing role of Creon with burly resilience.

The cast included Ortrun Wenkel (in strong voice) as Ismene, Antigone's unheroic sister, Werner Hollweg as the seer Tiresias, the ubiquitous Gösta Winbergh as Haemon. The vital spark the performance so badly needed, however, was brought by Peter Straka, a young tenor of clear promise, as the watchman.

United States: Parts I-IV/Brooklyn Academy of Music

Frank Lipsius

Already a pop star in Europe after her "O Superman" was a top hit, 35-year-old Laurie Anderson is still essentially a cult figure in America, where she recently premiered her *United States: Parts I-IV** (opening tonight in London) at the Brooklyn Academy of Music. Americans remain undecided on whether her music stands *alone or must be seen in her* patchwork concerts that go under the rubric, Performance Art.

Each part of the performance is divided into some 20 music-length segments in which Miss Anderson is not always making music but is always playing an instrument, including banging herself on the head, amplified to produce the sound of a muffled ping-pong game. Microphone stands are tapped like bongos. Her voice is modified through a synthesizer to make her sound like a hulking baritone. She plays her violin with a magnetic-tape bow, all of this accompanied by seemingly random visuals flashed on the backdrop with words, quotations, a few films (like astronauts walking on the moon) and cartoon strips.

It is not what Thomas Edison could have had in mind, but a century after his experiments with electricity, Laurie Anderson seems to be paying homage to his versatile invention in the name of Performance Art. Edison is even mentioned in "Part II," though in a derogatory comparison with the immigrant Nikola Tesla, who invented alternating current, a *sine qua non* for Miss Anderson's work. Some visuals portray electric circuitry, and in a brave, if somewhat foolish gesture of homage, the performer puts an electronic jew's harp in her mouth to produce a long and doleful wail.

The two-evening performance improves as more musicians share the toys on-stage and get down to the artist's familiar sound of voice and music filtered through oscillating sound waves that bounce against an incessant rhythm track.

In its short history close by The Bowery where Edison first electrified a city district, Performance Art has already attracted historians and justifiers who tend to use big words to say, "Anything goes." If they really mean it, then a performance like this might gain by not trying to do it all and *instead mix the fun of* gadgets and noises with melodic interludes borrowed from a non-electrical source.

* *United States I-IV* is at the Dominion Theatre in London, presented by the ICA. The show is split over two nights, each half starting at 7 pm. After performances on Wednesday / Thursday and Friday / Saturday, the complete work can be seen on Sunday starting at 2 pm.

Laurie Anderson: homage

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

February 11–17

Theatre

NEW YORK

The Entertainer (Roundabout 23rd & 8th Av) William Gaskill's evocation production of the John Osborne chestnut stars an appealingly shuffling and quizzical Nicol Williamson while bringing the era of the Suez crisis to an American audience with Michael Sharp's headline dominated set. An excellent supporting cast of Humphrey Davis as father Billy Rice and Frances Cuka as Archie's long-suffering wife Phoebe. (2427800).

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (2476472)

Plenty (Plymouth): Moving on to Broadway from its Public Theatre opening, Kate Nelligan stars again in the New York production of the play written and directed by David Hare about Europe's transition from war to peace over the last generation. (2396200)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish re-creation of the London hit. (2396262)

Good (Booth): How Halder became a Nazi, in this London import starring Alan Howard and directed by Howard Davies, is eloquent, stylish in set and overlapping scenes, but ultimately convincing for the rather undramatic and prosaic reason that Halder was sought after and treated well. No moral tale there. (2396200)

WASHINGTON

She Stoops to Conquer (Folger): The resident company adds Lucinda Hitchcock Cone as Kate Hardcastle and director Davey Marlin Jones for this production of Oliver Goldsmith's enduring comedy about English rural manners and matrimonial ambitions. (5464000).

Toyer (Eisenhower, Kennedy Center): Tony Richardson directs Kathleen Turner and Brad Davis in Gardner McKay's new tense and twisted murder mystery set on a California tennis court (2543670)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven a somewhat over-written clash of ideologies. (2464636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (2455760)

Crimes of the Heart (Golden): Despite its genial humour, outlandish events and Pulitzer Prize, Beth Henley's story of three Mississippi sisters boils down to a sitcom sensibility full of gags, good acting and frequent phone interruptions. (2466740)

Geniuses (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of a seasonal typhoon. (432 W. 42nd). (2794200)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (2460246)

Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (2543770)

The Imaginary Invalid (Arena Stage): Guthrie Theatre's associate artistic director Garland Wright presents Argan and company with Marc Antoine Charpentier's original music for Moliere's masterpiece about quackery and hypochondria in the ancien regime. (4883300)

CHICAGO

The Comedy of Errors (Goodman): With Adriana played by world champion baton twirler Sophie Schwab and Luciana by Gina Leishman who has mastered seven musical instruments, this Shakespeare could be nothing but a circus, especially surrounded by the Flying Karamazov Brothers and street musicians and jugglers from across America in Robert Woodruff's lively production. (4433800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (8697278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (3275588)

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel, where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (9282252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (8368888).

Yakety Yak (Astoria): Enjoyable pot porri of songs by Lieber and Stoller, evocative of the 1950s and '60s, and exuberantly performed by a Liverpudlian quartet of brothers and The Darts. (4376565).

Trafford Tanzi (Mermaid): Exuberant play that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (2365568)

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (8368108)

84 Charing Cross Road (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile, Helene Hanff, and the owner of a West End bookshop. (8361171)

Guys and Dolls (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (9282252)

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (8362660/4143).

VIENNA

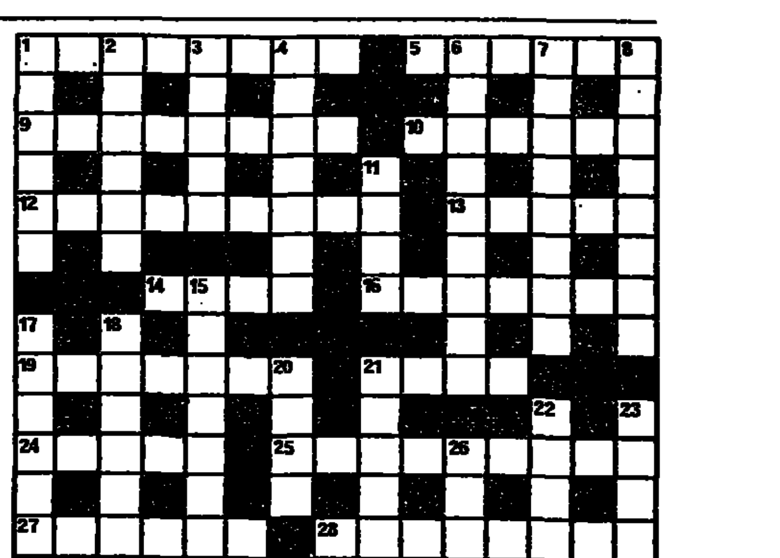
Vienna's English Theatre (421260): Arsenic And Old Lace (Daily except Sun)

Theater an der Wien (579632): Anatevka (Daily except Mon)

HOLLAND

Mickery Theatre, Amsterdam: Slow Fate by Mike Figgis, an unorthodox play featuring music and projection as well as actors.

F.T. CROSSWORD PUZZLE No. 5,099



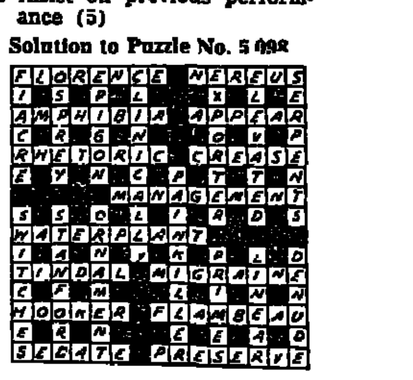
ACROSS

1 Knifing attempt before drinking bout is cut short (8)
5 Suffers irritation from such a festering sore (6)
9 Make a further assertion about a fine pencil company (8)
10 Dressed up and ready to go? (2, 4)
12 Only rogue involved in medical study (9)
13 Shabby looking, but with growth potential? (5)
14 Buoyant Irish seaport (4)
16 Take no part in speech making (7)
19 East end thief usually ends up in hot water (3-4)
21 Finished on top (4)
24 Took part and did something positive (5)
25 Someone who puts in a wild bid before the offer is seen (9)
27 A horse to watch? (6)
28 Long live London for gaiety! (8)
29 Don't like to take away international status of the game (6)
30 Man determined to excite public interest adopts a stumbling gait to the river (8)

DOWN

1 Calm and very dry to the south east (6)
2 You can count on a taxi turning up for us (6)
3 Nothing that gets under the skin can be comic (5)
4 Part of the country noted for waterways and not people (7)
6 Confirmation of agreement gives worker a shock (9)
7 Control is lacking if centre breaks down (8)
8 Nomadic species of stingray (8)
11 One of Poseidon's conquests was a novice (4)
15 Wear too much on top of costume (9)
17 Devoted daughter followed the case (8)
18 Disciplinarian makes a point in the Stock Exchange (8)
20 Operations are underfoot to find affected people (4)
21 A first night opportunity (7)
22 Advertising break with no power behind it (6)
23 There's some hope inside for each worshipper (6)
26 Insist on previous performance (5)

Solution to Puzzle No. 5,098



FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
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Wednesday February 16 1983

An opportunity in Cyprus

CYPRUS has just started one of those brief moments in its history when progress towards a settlement of the island's troubles may be possible. The *presidential elections are now* behind the Greek Cypriots. Sunday's vote saw President *Spiros Kyprianou receiving* a clear mandate for his policy of negotiating with the Turkish Cypriots. At least six months remain until the dust of the promised election campaign begins to rise in Turkey, with the possible hardening of attitudes this could cause among the Turkish Cypriots.

Certainly, there are some who argue that the Cyprus problem has already been solved, and in a way satisfactory to the West. The partition of the island by Turkish troops in 1974 has effectively scotched any possibility that the island might veer towards the Eastern bloc. There has been no significant violence between the two communities since they were forcibly separated over eight years ago.

Irritant

The Cyprus issue is a major irritant in Greek-Turkish relations, particularly following the priority given to it by the government of Dr Andreas *Papendreou. Its effect on the* cohesion of Nato's south-eastern flank cannot be ignored—and that flank is in an especially explosive area of the world. Internally, there is the refugee problem which remains a source *of anxiety: one-third of the* islanders were uprooted in 1974.

Six years of talks between *the two communities see them* still deeply divided over all substantive issues involved in a settlement. On land, the Greek Cypriots argue that the Turkish Cypriots, who account for around 18 per cent of the *population, should give up a* major share of the 37 per cent of the island which was seized by Turkish troops. On the constitution, the Greek Cypriots are looking for a unified federal system, whereas the Turkish *Cypriots are insisting on a loose* confederation with weak powers for the central government.

However, so far the talks have only produced agreement on secondary matters—that the future Cyprus should have one national anthem, one flag, and treat murder as crime to be prosecuted by the central *government.*

Scepticism is growing on the Greek side about the value of the intercommunial talks. This scepticism has been voiced most notably by Dr Papandreou, who has long been calling for the withdrawal of Turkey's 20,000 troops as a precondition for negotiations and has launched a campaign to internationalise the Cyprus issue.

Conflict

Dr Papandreou's stand has brought him into conflict with President Kyprianou, most publicly last autumn when the latter reached a pre-election understanding with Akel, the powerful Greek Cypriot Communist Party. Akel is a *firm supporter* of the intercommunal talks. Yesterday President Kyprianou showed his determination to *balance the two approaches,* saying he planned a new effort to promote the cause of Cyprus *abroad which would be parallel* to but separate from the intercommunal talks.

Such an approach, which involves raising the Cyprus issue in bodies such as the United Nations and non-aligned movement, infuriates the Turkish side. It is not in the West's interests for Cyprus to become a major item on the international agenda: the way to avoid this is by breathing some life into the intercommunal talks themselves.

Respect

These talks constitute the correct mechanism for resolving the issue, and Dr Hugo Gobbi, the UN representative on the *island, has won widespread re*spect for his guidance of the talks. But progress is unlikely to come unless Washington uses some of the influence it has with the Turkish authorities to persuade them to make the type *of steps — over land, for* example, and the system of government — necessary to win counter-concessions from the Greek Cypriots.

The best that outside powers can hope to achieve is to create *the conditions in which the* inter-communal talks can at last begin to tackle the real issues dividing the two communities. Dramatic breakthroughs are not to be expected, but a clear opportunity for progress now exists.

Tax subsidies for borrowers

BUOYANT NORTH SEA oil revenues have created a *singularly favourable* background for fiscal policy over the past 18 months. Today, however, *the Chancellor treads a* more difficult path. The oil market is weakening and electoral *pressures are building* up. So the forthcoming budget provides a fair challenge to Sir *Geoffrey Howe's resolve;* and the litmus test of fiscal probity will be his response to demands *for a rise in the ceiling on mort*gage interest relief.

The present ceiling stands at £25,000. The temptation, in a pre-electoral budget, to raise it to £50,000 (or wherever) in a cynical bid to drum up votes from would-be home-buyers is considerable. Yet to do so would run counter to everything for which Sir Geoffrey Howe has so painstakingly worked over the past three and *a half years.*

Impact

The housing *market* has been a fertile breeding ground for precisely the kind of inflationary psychology that Sir Geoffrey is anxious to wipe out. By subsidising borrowings for house purchase, on which the real *interest rate* was negative for much of the past decade, successive governments have certainly created a marked distortion both in investment preferences and in the level of savings. Yet it is questionable whether this form of fiscal relief helps achieve the Government's housing objectives.

There is little evidence to suggest that reliefs against loan *interest for house purchase* and improvement, which are expected to cost the taxpayer an estimated £2.15bn in 1982-83, have the kind of impact on housebuilding activity that the Government might wish. The effect of the tax subsidy on house prices can be inflationary.

Alternatively it can find its way into consumption as home-owners release equity from their investment in housing by *trading down or borrowing on* the security of their home to finance purchases of other kinds of assets or goods.

At the same time the tax base is eroded, with the result that the Inland Revenue has to tax income that has not been relieved at a higher rate to maintain its revenues. In the meantime, income related sub*sidies for those paying rent for* housing are trailing well behind tax relief in value. The Government's desire to bring about a proper revival of the private rented sector remains a long way from fulfilment.

Hampered

Halving rather than doubling *mortgage interest reliefs in real* terms over a period of years would have a useful impact on the fiscal balance. It would also be in Britain's interest to see a wider international assault on "tax expenditures," as these reliefs are known in Whitehall.

In the United States, for instance, a blanket relief is applied not just to home loans but to all borrowings for any purpose. Since no one much pays the nominal rate for bank borrowing, attempts to control the money supply are severely hampered and dollar interest rates have to rise excessively high in order to choke off credit demand.

This in turn can cause the dollar to strengthen.

Unpleasant

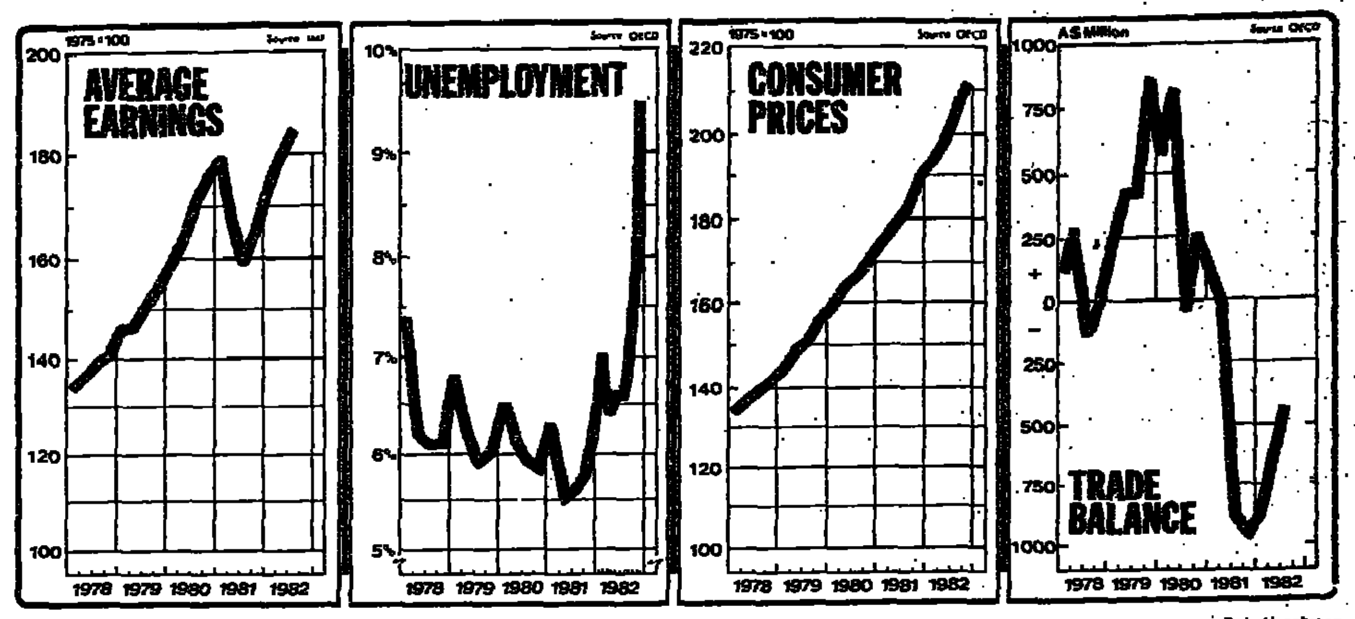
Since the rest of the world is on a dollar interest rate standard, the consequences of such fiscal distortion are unpleasant for non-Americans—particularly in the over-borrowed countries of the de*veloping world—which have to* pay the full interest rate. Moreover, the estimated $120bn that U.S. tax expenditures cost last year fell pretty uncomfortably on Americans themselves and is now the subject of growing domestic debate.

The case for putting the whole issue of tax expenditures *on the international agenda,* starting at the Williamsburg summit, is powerful when the excessive U.S. budget deficit is the cause of so much trouble in the world economy. That, rather than further "hand-outs" to home-owners, is what Sir Geoffrey should be aiming for.

AUSTRALIA'S ELECTION

The problem that won't go away

by Michael Thompson-Noel in Melbourne



Bob Hutchison

ON PAPER, they look evenly matched: an Australian Liberal Party *Prime Minister who has seized* upon union unrest to call a general election for March 5, and a freshly-elected leader of the opposition Labor Party who throughout the 1970s was both president of his party and of the Australian Council of *Trade* Unions (ACTU).

The first is Mr Malcolm Fraser, leader of the Liberal-National Party coalition Government, and Prime Minister of Australia since November 1975. The second is Mr Bob Hawke, leader of the Australian Labor Party (ALP) since February 3, when—*in a move that coincided* with Mr Fraser's dissolution of both houses of parliament—he snatched the Labor reins from Mr Bill Hayden.

Mr Fraser gave two reasons for calling an election. The *first was the need to control* wage increases and the second was the broader but closely linked issue of who should manage the economy. This last issue has come sharply into focus following the threat by some of the *more powerful unions*—including the oil workers—to overturn the wage freeze introduced by Mr Fraser last year.

To date, the sides have revealed little of their election strategies, though the campaign *promises to be bitter, with Mr* Fraser (the "big fellow.") slogging it out with a contender whose stability and self-control his opponents will seek to place in doubt.

Wage inflation has fuelled the rise in unemployment

It is an important election for Australia. It has enormous natural wealth—based on minerals, energy and land—and a highly-trained workforce. Yet taking advantage of this at the right time and price has often proved difficult, given the affluence and hedonism which is the Australian way of life, and is graphically reflected in the unions' insistence, in the midst of world recession, on maintaining their real wages.

Mr Fraser is right to insist that the central theme of the *election should be wage infla*tion and the unions. For there is a virtually-unanimous view that Australia's most deeply-rooted economic problem is lack of control over wage and unit labour costs, even though the bandwagon is temporarily at rest because of the Fraser wages pause.

There are three strands to the controversy: first, the petulance and aggression of Australian trade unions; second, the man*ner in which union expectations* were fanned, says the ALP, by the Government's "resource boom" rhetoric; third, the failure of the Fraser Government to find a more orderly formula for wage determination.

*Over and above wage infla*tion, there are also other economic concerns in Australia: primarily, the recurrent debate over the future of the manufacturing sector, which is heavily protected and in many areas inefficient; and a closely related debate about Australia's approach to trade protection in general.

*However, the current combi*nation of recession and unemployment has completely overshadowed the prospects for industrial restructuring and the dismantling of trade barriers.

Without a doubt, recent wage inflation in Australia has harmed profits, endangered price competitiveness and *fuelled the rise in unemploy*ment, which stands at 10 per cent. Australia's recent growth in non-farm average earnings reached a peak of nearly 15 per cent in the second half of 1980, then fell back, but rose to almost 17 per cent in the first half of 1982 (seasonally adjusted annual rates).

In mid-1981, the Arbitration Commission, which sets wage awards, formally abandoned wage indexation. There was *then a period of relative quiet,* followed by the presentation of a large number of claims in late 1981, of which the key settlement was a metal industry agreement covering some 350,000 workers.

The agreement included an immediate wage increase of A$25 (£15.75) a week, a further A$14 from June 1982, other minor benefits and a reduction in hours to 38 a week from March 1982. (Thanks to cli*mate and affluence,* Australians are hugely leisure-conscious and thus permanently intoxicated with the search for an ever shorter working week.)

The agreement was estimated to raise wages in the pace-*setting metals industry* by 20 to 25 per cent over 12 months. It also formed a benchmark for subsequent negotiations by other groups, almost all of which achieved the initial A$25 a week increase and about *half* won agreement on mid-term increases.

As a result, the wage rate index rose abruptly—by 20.8 per cent in the first quarter of last year, and by 17 per cent (annualised rates) in the second. As the OECD put it in a recent report on the economy: "Since *the end of indexation, there has* been considerable uncertainty about the future of the wage determination system."

Last September, a conference was convened to discuss the future of the wage determination system, but foundered on union insistence on the maintenance of real wages—ie, full indexation of salaries linked to movements in the consumer price index.

Finally, last December, the Government asked for, and received, a six-month private sector wage freeze to set alongside the 12-month freeze it had already clamped on federal wages.

Sir John Moore, the Commission's president, admitted that the wages freeze was almost a "leap in the dark." The economy he said, had been hard hit by world recession, severe drought, and a large increase in domestic labour costs. "Any one of these developments," said Sir John, "without the others, might have been tolerable. But in combination, they have produced the most serious economic crisis since the depression of the 1930s."

This action has ensured a period of relative peace on the wages front, but there is a fear that wage *demands* are only temporarily stoppered up, and will swiftly re-emerge once the economy recovers.

That Australian trade unions are aggressive and prickly is *not at all in doubt. In part,* their readiness to strike reflects their Anglo-Saxon heritage, so that to live in Sydney, for example, is to cope with the daily irritation of major and minor strikes.

In terms of average number of working days lost per year per thousand employees, Australia *is usually near the top* of the league—behind Italy, perhaps, but well ahead of Britain.

However, union militancy is only part of the story. In Sydney last week, Mr Hawke claimed that in *addition* to external factors (primarily the slump in world trade), the country's current collapse was "generated by the cumulative effects of seven contractionary budgets and high interest rates," plus the Fraser Government's lack of a durable incomes policy.

According to Mr Hawke: "The Government's argument that real wage levels are the major cause of our soaring un*employment* and *economic* slump is hypocritical . . . this is not to say that rapid wage increases in the past two years have not added to our economic problems—clearly they have—but the Government must at least share the blame.

"Real wages increased in 1981 and the early part of 1982 largely because the Fraser Government's hostility to the wage indexation system led to its collapse, and because 'resource boom' rhetoric created false expectations of benefits to be shared."

Mr Hawke also claimed that the Government's own figures clearly demonstrated that real wage increases had not been the principal cause of rising unemployment. Real unit wage *costs in September* 1982, he says, were no higher than in September 1974, while unemployment had quadrupled.

Last night, Mr Fraser said he would seek powers to introduce secret ballots for all union elections. Yet he has given no indication as to how future policy would improve relations between business and unions.

But then neither has Mr Hawke, apart from confirming that his first act in office would be to convene a national economic conference, and to say that from the outset, a Labor Government would "work within a framework of national reconciliation and social partnership."

In political terms, Mr Hawke is virtually untested, for he only entered parliament in 1980. In *the 1970s, he was president of* the ACTU and dubbed by an adoring media as "Mr Fixit" for his ability to settle disputes. However, it has been claimed that Mr Hawke inclined to enter the limelight when the dis*putants were already* badly bloodied, and looking for a way to end their deadlock.

On the other hand, Mr Hawke has good relations with the unions, and with many top businessmen. He was a Rhodes *scholar at Oxford, and is con*sidered to be strong, competent and forthright, if also vain, cock-sure and fierce of temper when doubted or crossed.

It will be a major missed opportunity if Australia *declines to use this election as* an opportunity to grapple with the central issue of wage determination, because the country's potential is immense. From the tip of its northern tropics to Tasmania in the south, from the industrial coast of New South Wales to the Indian Ocean in the west, Australia is a vast, *dusty* treasure vault whose wealth has only just started to be tapped. There are minerals. There is energy. And there is land.

Since mid-1981, investment in mining and finance has continued to *grow strongly, but in*vestment in basic metal industries has been affected by the deferment or cancellation of numerous major projects, particularly in aluminium smelting. Alcoa, for example, has deferred completion of a A$1bn (£630m) smelter at Portland, Victoria (in the Prime Minister's constituency) and mothballed its newest smelter, at Wagerup.

That said, there is still an estimated A$32bn *worth of resource* and infrastructural projects in hand that have either a definite or better-than-75-per-cent chance of getting started before the end of the decade. The great Australian resources boom has *not disappeared back into the* ground, but it has been rescheduled.

Present problems for the economy include:

● Uncomfortably high inflation, which at about 9 per cent is expected to ease *but not fall* dramatically this year.

● Unemployment, which is hit*ting a broad cross-section of the* workforce.

The most important issue of all: wage determination

● The likelihood of a 1982-83 budget deficit well in excess of A$4bn, in contrast to the A$1.7bn forecast last August.

● *Continuing high* interest rates, and a rising current account deficit. The current account *deficit in 1981-82 was* A$9.2bn (6.2 per cent of GDP), though it was more than covered by the inflow of private foreign capital (A$9.6bn).

There are other election issues in the air, apart from *wages and the unions. They* include taxation and tax avoidance, state rights, foreign policy and defence, the mining and export of uranium, and environmental conservation, the latter in the form of the well-publicised and bitter controversy over plans by Tasmania to build a hydro-electric scheme in the south-west wilderness.

Yet none of these issues is nearly as important to Australia's future health and wealth as wage determination. Whether it is treated as the central election issue remains to be seen, for the campaign promises to be bloody. Dossiers will be produced, old scores settled, and much mud flung. The best sign is that Mr Fraser and Mr Hawke, as well as being naturaly pugnacious, are both *passionately* keen to *build* a strong Australia.

Despite the recession, Australians already have a surfeit of bread and circuses, of cask wine and one-day cricket. What they unquestionably need at present *is a dose of plain talking.*

HOW AUSTRALIA COMPARES

	Australia	Canada	France	W. Germany	Japan	UK	U.S.
GDP per capita 1980—$U.S.	9,580	10,580	12,140	13,310	8,910	9,340	11,360
Private consumption per capita 1980—$U.S.	5,800	5,950	7,690	7,340	5,220	5,581	7,370
Passenger cars per 1,000 inhabitants 1978	479	410	327	346	185	256	536
Telephones per 1,000 inhabitants 1979	440	666	415	434	460	480	793

Source: OECD

Men & Matters

Bishops' move

There will be more than usual *political interest later this year* in the choice of a successor to Dr Stuart Blanch, who yesterday announced his retirement as Archbishop of York.

Many believe that the Church of England would be best served in York by an *evangelical with* radical social ideas.

The question is whether Margaret Thatcher — already ruffled by Church attitudes towards the Falklands war and nuclear weapons—would assent to such a proposal.

The Prime Minister makes the final choice from two names submitted to her in order of preference by the Church's Crown Appointments Commission, then makes her recommendation to *the Queen.*

In 1981, Mrs Thatcher is thought to have preferred the Church's second choice, Dr Graham Leonard, as Bishop of London, because he was more to her liking politically.

The Church's first choice then, Dr John Habgood, Bishop of Durham, is considered favourite now for the Archbishopric. He is perhaps the Church's foremost intellectual, said to have the backing of Runcie and Blanch, but deemed a little too detached from parish life by others.

But the further Mrs Thatcher *may look down the list of candi*dates, the less this time is she likely to find a more congenial choice.

Front-runners include the Bishop of Oxford, Patrick Rodger, who in all humility, rejected the office in 1975 because he had then been a diocesan bishop (in Manchester) *for only four years.*

There is strong support for Dr David Sheppard, the Bishop of Liverpool and former Test cricketer, who has been active in protests about unemployment on Merseyside and took the chair for the General Synod's nuclear debate last week.

And there are those who do not rule out—though Mrs Thatcher might—the unilateralist Bishop of Salisbury, John Baker, who is widely recognised as one of the Church's most brilliant theologians.

Street crime

The Anti-Apartheid Movement which campaigned vigorously against Ian Smith's Rhodesia is embarrassed about its new London address.

The movement's HQ is now in Selous Street, NW1, which was named to commemorate the grandfather of the famed hunter F. C. Selous. The great white hunter was, of course, the man who gave his *name to Rhodesia's notorious* but effective commando unit the Selous Scouts which was so frequently condemned by the anti-apartheid supporters.

Snap judgments

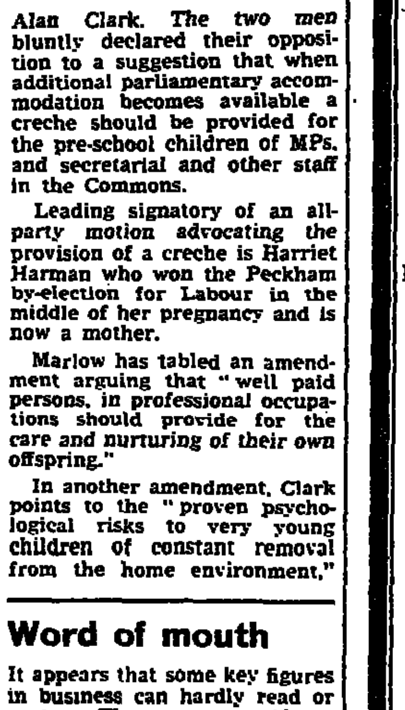
Arthur Daley, the latter-day *spiv of the popular television* series "Minder," would not be everyone's first choice as a PR man.

Yet it is a first cousin of Arthur, created by George Cole, who is the central figure in an amusing 23-minute film commissioned by the Law Society in an attempt to improve—or, *as the Society would say,* correct—the public image of the solicitor.

Cole plays the archetypal bar-room lawyer, exuding contempt for the professional, who offers gratuitous, and ultimately expensively inaccurate advice on legal matters to anyone within earshot.

Needless to say, the film shows him getting his come-uppance and turning in his hour of need to "Perishing Solicitors."

The film, scripted by Denis Norden, cost the Law Society about £70,000—compared with the £30,000 the Society spent *on television advertising in* 1978.



"He was the only thing left in the Ports sale"

The hope is that it will be *hired, on film or video, for* showing in clubs, workplaces, schools and colleges—in all of *which solicitors feel there is a* need for a greater awareness of the services they offer.

The whole exercise could, however, turn out to be counter-productive. It could tend to confirm rather than dispel popular prejudices to hear George Cole's engagingly appal*ling character passing such* comments on solicitors as "That lot could find eight loop-holes in the Ten Commandments."

Commons' cause

Guardians of the public purse and the welfare of infants or male chauvinist pigs? This was the question posed at Westminster yesterday about Tory backbenchers Tony Marlow and Alan Clark. *The two men* bluntly declared their opposition to a suggestion that when additional parliamentary accommodation becomes available a creche should be provided for the pre-school children of MPs, and secretarial and other staff in the Commons.

Leading signatory of an all-party motion advocating the provision of a creche is Harriet Harman who won the Peckham by-election for Labour in the middle of her pregnancy and is now a mother.

Marlow has tabled an amendment arguing that "well paid persons, in professional occupations should provide for the care and nurturing of their own offspring."

In another amendment, Clark points to the "proven psychological risks to very young children of constant removal from the home environment."

Word of mouth

It appears that some key figures in business can hardly read or write. There are a "large number of quite influential people in industry and commerce who have an almost exclusively oral culture" says an impeccable source—namely the establishments branch at the Department of Trade.

The revelation is made in a never-to-be published staff inspection report *on the subject* of the department's information division.

The report continues with disarming candour "Most of the department's information is intended for a literate audience: for some purposes this is right. But for a large number of quite senior managers in *small- and medium-size com*panies it is probably quite wrong."

Observer

BRITISH PARLIAMENTARY PROCEDURE

Of guillotines—and charades

By Peter Riddell, Political Editor

"THE PROCEEDINGS on the standing committee on the Telecommunications Bill have been a farce and a ludicrous embarrassment." This comment, from Mr John Lee, a Tory MP, came after more than 100 hours of debate in committee, covering only three out of 84 clauses—of which the highlight was an 11½-hour speech from a Labour MP, Mr John Golding.

The Commons will later today debate a guillotine motion, setting out a strict timetable for further discussion. And not a moment too soon for many members.

More than 100 MPs have signed a motion criticising the present procedures for militating against "constructive, relevant and concise debate" and calling for a review "to ensure more structured consideration of Bills."

The Telecommunications Bill is undoubtedly unusual. The measure permits the sale of 51 per cent of the shares in British Telecom in what would be the

There is no incentive to conduct debates in an orderly way

largest ever sale of state assets. It also creates a new regulatory framework, to ensure fair competition, which is being regarded as the model for the possible privatisation of other utilities.

The original Bill left many uncertainties about the form of regulation. Indeed, only last week major amendments were announced following the Government's acceptance of an independent report on this issue. The extent of the changes midway through the Bill's passage explains some of the bizarre events in the committee.

Yet, the proceedings on this Bill only highlight in an extreme form many features common to all committee stages. The complaint is that current procedures are ritualistic, time-wasting and do not allow members to make a constructive contribution.

Standing committees operate like miniature versions of the House of Commons. Their job is to examine and vote on Bills line by line. MPs are picked according to balance of parties in the Commons and they face each other from behind desks—unlike the departmental select committees where MPs of all parties sit together around a horse-shoe shaped table.

Members of the standing committee on the Telecommunications Bill: Stan Orme (left), the shadow Industry spokesman; marathon speaker John Golding, of the Post Office Engineering Union (centre) and Kenneth Baker, Minister for Information Technology

Without a timetable from the start, there is no incentive to conduct debates in an orderly way. Many relevant points are certainly made by MPs and they are often well-informed on their subjects. But debates tend to ramble and be repetitive; opposition members dominate the proceedings and government backbenchers are encouraged to keep quiet and, when needed, to vote.

On major Bills, the early discussions can appear a charade. Everyone involved, including the opposition parties, knows that a guillotine will be imposed which will limit debate on later clauses. The only question is when. Ministers and whips wearily calculate how many more hours to go before such a motion can *decently* be introduced. At present, the going rate is at least 80 hours for an ordinary Bill and well over 100 hours for a major measure.

This process highlights the difference in procedures between the UK and other countries. In Britain, the Government initiates legislation and Parliament's role is to debate, and to approve. Major amendments, such as those on the Telecom Bill, are more often made following consultations with outside interests, rather than in response to strong backbench pressure.

In contrast, in the U.S., the Administration's proposals are often only an opening bid and the form of legislation is determined by Congress. Committees of both Houses have the dual role of inquiring into the background of legislation as well as debating Bills. The committees hold hearings and call evidence from the Administration and from affected organisations before finalising Bills.

This involves lengthy negotiations, with Congress often taking the initiative. Proposals are, more often than not, substantially changed in the process, so that Congressmen have a creative role compared with the largely passive function of MPs.

Much of the debate turns on these constitutional distinctions. The conventional view is that it is for the Government to propose legislation and this should be carried through virtually unchanged, thanks to the support of its backbenchers. The Opposition's role is to oppose and time is its only weapon which should not be limited by an agreed timetable. Mr Golding's justification for his lengthy, and often witty, "interventions" is that they demoralised Tory backbenchers, highlighted shortcomings in the Bill and showed the outside public, notably trade unions, that Labour MPs were fighting the measure. But none of this has changed anything in the Bill.

Major legislation is, of course, decided along party lines. There is no imaginable consensus over the Telecom Bill given the wide ideological differences about privatisation. Governments with majorities are bound to get their way in the end. The question is whether, within these constraints, the resulting debates can be less of a ritual and the legislation improved.

The issue was examined as part of a major inquiry by the Procedure Committee of the Commons in the late 1970s. This mainly focussed on the two questions of whether Bills should be timetabled from the start and whether committees should have more of an investigatory rather than an adversarial character.

The committee heard calls from several leading MPs for formal timetabling from the start, provided that the Opposition was given the right to concentrate on chosen aspects of Bills. But the committee eventually rejected this course, agreeing with Mr Michael Foot, the archetypical parliamentary traditionalist and then Leader of the Commons, that MPs should "be wary about making the steamroller so strong that it could flatten out everybody."

There were, and are, conflicting views on how far standing committees should be able to hear outside views. Traditionalists believe that such opinions should be heard before a Bill is published, while others say committees should be able to call witnesses.

The Procedure Committee opted for a compromise whereby standing committees could hold three evidence-taking sessions at the start to establish the factual and technical background. This was adopted as an experiment in 1980-81 and has mainly been used where divisions are not along party political lines. This procedure was applied with apparent success to last year's Mental Health Act. Some MPs of all parties on the Telecom Bill committee believe that their discussions would have benefited if they had heard views on regulation from the Department of Industry, British Telecom and other bodies. Differences would not have been eliminated but the debate might have been better informed.

Several of these points are likely to be pressed by those MPs dissatisfied with current procedures. But they are unlikely to make any headway

The scepticism and vested interests of business managers

so near an election in face of the ingrained scepticism and vested interests of the business managers.

Mr Golding's epic may not, however, be forgotten. As Mr Kenneth Baker, the Minister for Information Technology, noted afterwards, it probably gained him a place in constitutional history books. The speech, Mr Baker suspected, would lead to an intensification of the pressure to reform the procedures of standing commitees.

One of Mr Baker's hobbies is editing books of satirical verse. Included in one collection is Jonathan Swift's view of Irish MPs—

While they sit a picking straws,
Let them rave at making laws,
While they never hold their
tongue,
Let them dabble in their dung,
Let them form a grand
committee,
How to plague and starve the
city.

Federal Reserve policy

Why Volcker should set an inflation target

By Anatole Kaletsky in Washington

TWO MAGIC words "confidence" and "expectations" are likely to figure prominently this morning when Mr Paul Volcker, the chairman of the U.S. Federal Reserve Board, delivers his semi-annual assessment of monetary policy and targets to the Congress.

Mr Volcker would almost certainly like to see interest rates fall still lower, particularly if the nascent U.S. economic recovery looks like running out of steam. But his last attempt to lead interest rates downwards, with a cut in the discount rate to 8.5 per cent on December 13, has been counterproductive, Mr Volcker told the Congressional Joint Economic Committee two weeks ago. The Fed's action had only inflamed inflationary expectations and had ultimately pushed long-term interest rates up, instead of down. This proved that the Fed no longer had any "buttons" which it could press to keep interest rates falling, he said.

The implication was clear: there could be little hope of securing lower interest rates without making the markets more confident about inflation first.

The security markets' wild gyrations in recent years have made matters even worse. Wall Street now instinctively rejects the notion of a reasonably stable equilibrium level of interest rates, sustainable over an extended period of time. If interest rates have stopped heading down, then they must be heading up.

Because of beliefs like these, investors' fears about *each other's* inflationary expectations can feed on themselves, push interest rates up and could even stifle an economic recovery, whether or not the original alarm about inflation was widespread or well founded.

The root cause of this kind of perverse and dangerous behaviour was the experiment in money supply targeting which Mr Volcker himself launched in October 1979, and "temporarily" suspended last autumn, exactly three years later. For the essential promise of the new approach was to cure inflation with relatively little pain by persuading people to behave as if inflation were already eliminated because of their total confidence that the Fed would stick to its monetary targets, come hell or high water.

Having suspended his main target in October because he found it was too distorted to bear any relationship to inflation, or anything else in the real world, Mr Volcker may merely announce a new set of money targets today. The confusion will then persist.

Fed officials themselves freely admit that all the money figures will probably be subject to further revisions. Their supposedly stable relationships with the things that matter in the real world—the rate of inflation and the growth in total spending in

Fed officials themselves freely admit that all the money figures will probably be subject to further revisions

the economy (nominal GNP)—is acknowledged by all to be in complete turmoil. And after last year, the markets will probably refuse to believe that Mr Volcker will simply stick to whatever monetary targets he announces, even if they have no rational economic justification.

Accordingly, Mr Volcker is now being urged from all sides, including many former monetarists, to give a justification for his monetary targets by adding a new objective—a fixed rate of nominal GNP growth. "Targeting money growth rates is not an end in itself, but merely a means of achieving control of nominal GNP," President Reagan's Council of Economic Advisers stated in its recent 1983 annual report.

Unfortunately the announcement of nominal GNP targets, apart from the technical problems, such as the inaccuracy of preliminary GNP figures, would not overcome the Fed's fundamental expectational problem.

It is, after all, inflation that investors are basically afraid of when they hold back from buying bonds despite apparently high real interest rates. And experience does not suggest that nominal GNP growth necessarily bears any clearer relationship than money supply growth to the true objective—inflation.

Between 1973 and 1975, for example, nominal GNP growth fell from 11.8 to 8.0 per cent, while inflation rose from 5.8 per cent to 9.3 per cent. Inflation then fell back again to 5.8 per cent in 1977, while nominal GNP growth advanced to 11.7 per cent. Both the 1960s and the 1970s abound with examples when inflation and nominal GNP growth have moved in opposite directions.

Ultimately, of course, a sufficient reduction in nominal GNP growth does arrest inflation, usually with a time lag of a year or two. But what is probably going on beneath the figures—as in the 1974-76 period and in the current recession—is the familiar pre-monetarist "Philips curve." A sharp cut back in nominal GNP growth is simply a reflection of real economic output collapsing. In layman's language that means a recession—and every recession has been followed by a reduction in inflation.

Nominal GNP targeting only maintains the illusion that somehow, despite all the bitter experience of the past few years, it may still be possible to cure inflation by "expectations" alone, without creating unemployment or achieving an extraordinary degree of social consensus around an incomes policy.

The way that Mr Volcker could really prove his anti-inflationary mettle would be by telling the Congress today that this is impossible. He could then set himself a target, say 6 per cent, for this year's maximum tolerable inflation, and watch like a hawk for every sign of inflationary pressures building up beyond this level—he would balance carefully the trends in wage settlements, in fiscal policy, in commodity prices and in the exchange rate as well as in the demand for money.

His secondary objective—to maintain the lowest possible interest rates consistent with the acceptable level of inflation—would promote non-inflationary economic recovery.

If that sounds like old-fashioned central banking, it is. And from a man with Mr Volcker's anti-inflationary record, some old-fashioned central banking, accompanied by some old-fashioned fiscal discipline, is exactly what could win back the confidence of the markets.

Letters to the Editor

Abolishing the metropolitan county councils

From the Chief Executive, Sheffield Chamber of Commerce.

Sir,—What are leaders of the metropolitan county councils so nervous about? They have just published a document defending their councils and have launched it at the House of Commons (at the ratepayers' expense of course), but the Government has not yet publicly stated that they should be abolished.

Could it be that they are unsure of their own ground? Their paper quotes as an example the increased annual costs which West Yorkshire County Council calculate would arise from its demise (amounting incidentally to no less than 9p a week for the average domestic ratepayer) but says nothing about the cost of retaining the existing bureaucracy. For example, South Yorkshire County Council has 100 elected members and at least 62 committees, which discuss such strategic matters as footpaths and the head on a pint of beer. There is also of course a planning committee, which following the Local Government, Planning and Land Act 1980 has no planning powers—not to mention the functions that are duplicated by the district councils.

The metropolitan county document says nothing either about the difficult relationship between the counties and the districts. When we started campaigning for the abolition of the metropolitan counties, we found a lot of evidence of duplication, obstruction and conflict between the two tiers. For this reason I do not expect the districts to mourn the passing of the counties.

The obvious alternative to the present two tiers is to hand over the major services to the district councils jointly, thus creating true "local" government. After all for people in Sheffield, Barnsley, where County Hall stands, is hardly more local than Westminster. The counties of course have an answer to this: it would be "a dilution of local democratic control." The interest of the electorate in exerting this control at district and county level is amply shown by the turnout in South Yorkshire at the last county council elections: 37.3 per cent.

J. S. Hambridge,
Commerce House,
Earl Street, Sheffield.

Discerning the market's view

From Mr N. Stuchfield

Sir,—Mr Samuel Brittan and other commentators have repeatedly made the point over the last few months that since the advent of indexed-linked gilts the possibility exists of easily discerning "the market's view" of long-term inflation rates, simply by subtracting the "real" redemption yield of an indexed gilt from the "nominal" redemption yield of a conventional gilt of the same maturity. To be fair to Mr Brittan and his colleagues, he does say that this gives only a "rough" indication, currently around 9¼ per cent; I nevertheless wish to dissent from this view for a number of reasons.

Most importantly, indexed gilts give a risk-free real return if held to maturity (unless the government defaults). Conventional gilts, on the other hand, clearly do not: they give a risk-free nominal yield (as long as the coupon reinvestment rate is predictable), but no more than this. Consequently, risk-averse fund-managers may be more willing to accept a certain 2.3 per cent yield in real terms rather than an uncertain, say, 4 or 5 per cent above inflation over a long period of time. Moreover, it seems reasonable to suppose that the longer the term to maturity, the greater the premium for risk the conventional gilt will require in order to entice the long-term holder to purchase it.

Short-term expectational factors will distort the yield differential between indexed gilts and their regular counterparts. For example, the expectation of capital gains due to lower long-term interest rates might have the result that ordinary gilt yields fall faster and further relative to indexed stock than the inflationary outlook might suggest. This factor would, however, not impart a systematic bias to the "synthetic" inflation calculation, but would have unpredictable and indiscernible effects, just as global market "sentiment" is unpredictable and indiscernible.

More practically, the all-pervasive subject of tax has ramifications for indexed gilts. Capital gains tax exemption (on two grounds!) for long-term holders renders direct comparison with high coupon longs inappropriate. For despite their omnipresence in the market, the gross funds do not actually determine all gilt yields, they only set a ceiling for them; and just as the tax advantages of low coupons to individuals entail their premium prices, so also with indexed stock.

As Mr Brittan admits (February 7) the relative scarcity (and novelty?) of indexed gilts imparts a premium to them. Notwithstanding that, the factors outlined above tend on balance considerably to enlarge that premium. Indexed stock is simply more attractive than high coupon longs to both individuals and institutions when priced in accordance with expected inflation, that it is bid up entailing that the implied inflation rate is a substantial exaggeration of genuine expectations. Moreover, the second, mystical factor means that the degree of this exaggeration may neither be stable nor even quantifiable. It may, however, for all these problems be the best measure available in this *imperfect* world.

Nicolas Stuchfield.
Wedd Durlacher Mordaunt Futures.
Austral House,
Basinghall Avenue, EC2.

Building societies' boards

From Mr C. Jackson

Sir,—The recently published report of the working party on building societies draws attention to the potential conflict between democracy and efficiency, and concludes that a board "should have a good age balance and breadth of relevant experience." It is surely also correct in stating that "the board is the proper body for carrying out a selection process for new board members."

When, however, it states that "directors must choose between people . . . known to board members" it is surely failing to meet the recent criticism that in the past boards have been drawn from too narrow a pool.

Growing numbers of society members are looking to boards to achieve the highest possible return on their savings, and to market and carry out the society's present and expanding range of operations at the lowest possible cost.

In consequence, the most effective future directors of building societies are likely to be active and successful directors of analagous but non-competing organisations.

It is surely for these reasons that the recruitment of directors to the boards of building societies should be carried out in a professional manner.

C. V. Jackson.
52, Grosvenor Gardens, SW1.

Harley Davidson and superbikes

From the Chairman, Kent Advanced Motorcyclists Group

Sir, — Any knowledgeable motorcycle enthusiast will, I am sure, at first be amused and saddened by Paul Taylor's (February 10) lack of understanding of Harley Davidson's position in the superbike market. Even the choice of picture to illustrate the article is inappropriate since it depicts a Harley tricycle specially developed for police and traffic warden work that can in no way be described as a high speed motorcycle!

The Harley Davidson range of large capacity machines can most charitably be described as a collection of dinosaurs kept alive by nostalgia and specialist enthusiasm. In today's terms they cannot be called 'superbikes' for they lack the sophistication, good handling and superior performance of the rest of the world's machines in this class. They have an appeal to their protagonists in the same way that traction engines or steam trains attract attention.

The development of machines comparable to the universal Japanese motorcycle (UJM) has been stultified for Harley Davidson by the restrictive speed regulations prevalent in the U.S. and by the particular preference by American riders, in times past, for machines that would be comfortable at 55 mph on their highways over long distances.

True, Harley knotched up racing successes in the last two decades but only by importing design principles from Europe, resulting in specialised bikes that bore little relation to their standard touring production range.

Rod Collins,
Hazelhead, 25 Dornden Drive,
Langton Green,
Tunbridge Wells, Kent.

Pots and kettles

From Mr H. Wynne-Griffith

Sir,—Mr Cormie (January 2) criticises the National Savings people for not coming clean on the "real" effect of the return on investors' money.

How many debentures and loan stocks have been endorsed by members of his august profession without reference to the effect of inflation?

The pot calls the kettle black—and I haven't even mentioned historic cost accounting!

H. R. Wynne-Griffith,
3 Dulwich Wood Avenue, SE19.

FINANCIAL TIMES

Wednesday February 16 1983

David Buchan reports from Budapest on institutional plans to widen political representation

Hungary's reformers turn to politics

HUNGARY MAY have parliamentary elections in two years' time, with two or more candidates contesting individual constituencies.

The candidates will have to be officially approved, and the degree of electoral competition may vary around the country, but this seemingly small step would be a significant stride for a country in the Eastern bloc, which does not offer a choice of political personality, let alone of policy, at the polls.

The aim is to see whether reform can breathe new life into Hungarian politics as it has into the economy.

Proponents of the electoral reform say it is an inevitable and long-awaited consequence of the decentralising and market-orientated economic changes that started in 1968, suffered a reverse in the mid-1970s, and have gathered speed again since 1978.

"Economic reform was always linked to changes in the political structure," says Mr Reszo Nyers, the Communist Party central committee member who is generally dubbed father of the Hungarian economic reforms

This is echoed by another central committee member, Mr Istvan Huszar, who runs a party institute closely involved in drafting the electoral changes. Other leading figures are less sure that consumer choice should be extended beyond the economy.

According to Mr. Huszar, three changes are being contemplated in time for the 1985 national and elections:

● the ruling Communist Party would formally instruct its front organisation, the People's Patriotic Front (PPF), to encourage the nomination of candidates for each parliamentary seat. Candidates could not be forced to run, "but, at the very least, if constituency nomination meetings throw up several candidates, the PPF would not put any obstacles in the way of them all running;"

● runners-up in elections would be designated stand-by MPs. If a sitting member died, or resigned, the stand-by would take his or her place. Thus, with something akin to the French "suppléant" system, election losers would not be "discouraged".

● national leaders, such as Mr Janos Kadar, the Party first secretary, would be taken off the present individual constituency list, and put on a special, uncontested list comprising 10 to 15 per cent of the parliament's 350 seats. The stated aim would be to prevent notables like Mr Kadar from overshadowing rivals and inhibiting competition. It would also remove any risk of them ever being defeated.

Some liberal critics outside the Hungarian political establishment argue that such a mechanistic, limited approach can achieve nothing. But establishment reformers believe that debate on the hustings would improve that in parliament, without breaching the bounds of Hungary's "socialist reality" or diluting the political composition of MPs, half of whom are not Communist Party members at present.

There is some cut-and-thrust in the committees or corridors of parliament, but, in plenary sessions, "we behave as if in church", says Mr Nyers, who is also an MP. "The measure of solemnity in parliament's working should be reduced", urges Mr Huszar, an MP, too.

The more philosophical aim behind enlivening Budapest's neo-Gothic parliament is to provide a wider and more public forum for reaching a consensus between Hungary's increasingly outspoken and diverse interest groups than the back stairs network of consultations existing at the moment.

Virtually no one disputes the overall prosperity which economic reform has brought in recent years. Many grumble, however, at the prospect this year of a 4 per cent reduction in their real wages, which is the main domestic feature of the current International Monetary Fund adjustment programme for Hungary.

Consumers – there is now a National Council of Consumers – are upset by the prospect of further price rises of at least 7.5 per cent this year. Trade unions are anxious about the planned switch of labour from unprofitable to profitable sectors. The old and the unskilled feel left behind in the rush for freelance extra jobs in the largely private "second economy".

"The style of the Kadar leadership has been to consult constantly and not to throw its weight around. But it is clear, for the future, that we have to institutionalise this style. The style is not enough." Mr Nyers says.

The tricky issue of political change has come to the fore, not only to complement the economic reforms. Fifteen years' experience with those reforms has given Hungarians the self-confidence to tackle and control the pace of reform, though it has spun out of control elsewhere in Eastern Europe. That confidence is infectious. It seems to be the basis of Soviet acquiescence in Hungarian experimentation, now apparently reinforced by the ascent to the Soviet leadership of Mr Yuri Andropov, erstwhile ambassador to Budapest.

Mr Andropov may be pleased that the Kadar Government, by good luck or foresight, appointed one of his closer friends from his Budapest days to be ambassador in Moscow last summer. He may draw comfort from the Hungarian Government's recent, slightly tougher line against dissidents and its raid last month on the main "Samizdat" (underground publications) centre in Budapest. But this is minor, compared with the general assurance by the Government that political reform will not go too far or too fast.

THE LEX COLUMN

High noon at the UDS corral

Mr Gerald Ronson and the Bassishaw camp has emerged with a revised bid for the UDS group which pays scant attention to the store group's ambitious estimate of the worth of its property portfolio. Against UDS's argument that the net assets which are not being sold to Burton are worth 140p a share, Bassishaw is now offering 74p – roughly the same sort of discount which Woolworth shareholders accepted.

Bassishaw has timed its bid to put the utmost pressure on the opposition. Assuming it can post its revised offer today, it could go unconditional within a fortnight, thus effectively killing the extraordinary meeting to discuss the disposal to Burton before it has time to take place. The most likely outcome is that Bassishaw will be left short of the 50 per cent it needs to go unconditional, and UDS, in deep conclave throughout yesterday, will presumably make a fight of it; so the extraordinary meeting promises to be a real shoot out.

Bassishaw's pricing is not as aggressive as its timing. While it is offering UDS shareholders cash, its differential over what shareholders would get from the Burton deal allows little for a trading recovery in the stores group. There may be legitimate doubts about UDS's ability to build on last year's trading gains, or, indeed, to maintain its improved dividend: most retailers, after all, have been enjoying an improved environment, and the group has not yet given evidence that its management has improved. But Mr Ronson may well have overdone his parsimony in bidding for a group which is now showing the first signs of sensible streamlining.

Dalgety

Dalgety has managed to achieve pre-tax profits of £18.1m against £19.6m despite a collapse in its Australian profits and a further deterioration in its Canadian operations. A repositioning of the company since the last serious Australian drought of 1974/5 has been achieved with some success, most notably in the integration of Spillers' animal feeds business in the UK and the development of hybrid pig-breeding in the U.S. Both of these businesses have done well in the latest six months to December.

The results seem unlikely nonetheless to dispel the market's long-standing view of Dalgety as a company which reacts to events rather better than it anticipates them. In Australia, its distribution business accumulated construction equipment inventories until the recession was right upon it and has lost £¾m on cut price sales in the first half. This has detracted from the performance of the stock agency business, which slipped only £0.7m to about £2½m despite the drought. In the UK, the petfoods division has had to spend heavily on advertising to recoup market share. This has cut its pre-tax profits by 40 per cent and off-set the animal feeds and flour milling gains made in the UK.

Dalgety should be able to resolve these problems having turned round its U.S. frozen foods business since 1980 and rationalised Spillers' operations. But for the longer term, the company still waits on factors outside its control, most notably an upturn in prices for its Canadian lumber. At 336p, down 5p, the shares stand exactly where they did a year ago and yield a defensive 9.3 per cent.

Deep discounts

Any prospect of low-coupon stock playing an important role in revitalising the UK corporate market looks remote. That, at any rate, seemed to be the consensus yesterday at the Institute of Fiscal Studies' seminar on the Government's proposed treatment of deep discounted stock. The Government's enthusiasm over the potential is based on the excitement zero-coupon issues generated a couple of years ago in the U.S. But much of the attraction for borrowers was the straight-line treatment of the discount over the life treatment of the discount over the life of the stock for tax purposes. As Stephen Schaefer of the London Business School demonstrated, this generates such valuable tax allowances that it is theoretically worthwhile for companies to give the stock away *gratis*.

The legislative switch in the U.S. to a compound yield basis took a lot of the fun out of the game, and the UK Government looks likely to follow the U.S. example. Not only are the tax benefits removed, but the rules are extremely complicated – a factor enough on its own, as Gordon Pepper of Greenwell pointed out, to shrink and fragment the potential market.

The Revenue is wriggling uneasily on its self-imposed hook of "symmetry" of tax treatment for borrowers and lenders. But symmetry on its own is an inadequate guard against distortions. Moreover in market terms it is a chimera, when many investors and the main competing investment of gilt-edged enjoy tax privileges. If the Government wants to encourage the early expansion of the corporate bond market perhaps its best option would be to design a specific tax concession. Since bond finance would in part be replacing tax privileged leasing deals, the net loss to the Exchequer need not be exorbitant.

Arthur Guinness

All those hard-pressed engineering companies which can scarcely afford the cost of essential reorganisations must be looking with envy at the way Arthur Guinness's balance sheet has enabled it to swing the axe in the last year. Even after a £45.4m reduction in shareholders' funds, exacerbated by an unfavourable £9m foreign exchange movement, the group's capital gearing emerges at a manageable 41 per cent.

The annual report for the year to September reinforces the impression that Guinness's new management has tried to cut as deeply as possible in its first year. Within the £48.7m extraordinary charge, provisions amount to almost £21m, of which some may be clawed back – below the line – if income from film distribution exceeds expectations. The disposal programme, a hefty reduction in working capital, and a cut in investment has also generated cash, bringing down borrowings by £25m. So Guinness has succeeded in withdrawing from its ill-fated diversifications in one piece – the question now is whether it can stem the volume decline in its central product.

Turkey to cut dues on straits shipping

By Metin Munir in Istanbul

TURKEY will shortly rescind a three-month-old decision which sharply raised dues on vessels crossing the Bosporus and Dardanelles, the strategic gateway between the Black Sea and the Mediterranean, according to shipping sources in Istanbul.

The high dues brought protests from the London Shipping Chamber of Commerce, the Baltic International Maritime Conference Organisation (Bimco), and the Turkish Shipping Chamber of Commerce, but the strongest objection came from the Soviet Union, Turkey's neighbour, which uses the straits more than any other country.

The Soviet Union told Ankara it would pay no dues until it had considered the implications. Soviet merchant ships accounted for half the 30,000 vessels which crossed the Bosporus in 1982, said shipping sources.

The Turkish Government's decision nearly quintupled transit, sanitary and light dues. One shipping agent said total dues paid by a 81,500 dwt tanker which his company serviced rose to $53,000 from $11,000.

Turkey suddenly increased dues by applying an article in the 1936 Montreux Convention governing the status of the Bosporus. This fixed dues according to the gold franc, which is no longer in circulation.

On November 15 shipping agents in Istanbul learnt that Turkey would start charging dues according to the gold franc's intrinsic current value as denominated in the Montreux Convention.

Turkey's central bank started issuing the price of gold daily. The Government hoped to double revenues from transit, sanitary and light dues to about $20m annually.

Shipping sources say Turkey will not revert to the pre-November level but will reduce dues substantially.

There was a hint of the revised charge in a decree in yesterday's official gazette. The decree said the central bank would discontinue announcing the price of gold daily and, instead announce one price a year. It would be the average price of gold in the London market in the previous year

Some shipping agents speculated that the dues could be based on this price

SA banks move on prime rate in bid to mop up liquidity

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN banks are to cut their prime lending rate from 17 per cent to 16 per cent, just nine days after exchange controls on non-residents were lifted in an effort to reduce domestic liquidity.

Barclays National Bank, the country's largest banking group, said the new rate will take effect today. Standard Bank Investment will implement the lower rate at the end of the week.

The reduction in prime lending rate reflects a further sharp drop in short-term interest rates on the money market. The move indicates that the relaxation of exchange controls has so far failed to prompt any outflow of funds, despite South Africa's uncertain political outlook and the more advantageous exchange rate for the withdrawal of investments after the abolition of the financial rand.

The key three-month bankers' acceptance rate fell yesterday from 11.6 per cent to 11.4 per cent and is expected to drop further today. It stood at 11.6 per cent before the exchange control measures were taken 10 days ago.

The continuing build-up in liquidity is partly a result of the rising gold price, which has pushed the current account of the balance of payments into healthy surplus in the past few months.

It also reflects speculation on a further appreciation of the rand. Since the scrapping of currency controls on foreigners, the rand has risen by more than two U.S. cents.

It closed yesterday at 90.38 cents and foreign exchange analysts forecast an appreciation to around 92 cents within the next few weeks.

As a result, many foreigners, including those who have sold shares on the Johannesburg Stock Exchange in the past week, have left their funds in South Africa for the time being. One bank estimated that this pool could total between R200m and R300m.

The high level of domestic liquidity has raised doubts as to whether Pretoria will draw the remaining $400m of the $1.2m International Monetary Fund (IMF) loan package approved last November.

A senior Reserve Bank official said yesterday that no decision had yet been taken on whether to draw the outstanding amount. He added however, that none of the funds drawn so far had been repaid.

Money markets, Page 34

Failed U.S. bank taken over

BY PAUL TAYLOR IN NEW YORK

FIRST Tennessee National, Tennessee's largest bank holding company, yesterday took control of the failed United American Bank of Knoxville after the Knoxville bank was declared insolvent and closed on Monday.

The Knoxville bank, with assets of nearly $760m and deposits of about $590m, is Knoxville's largest bank and the flagship of five Tennessee banks controlled by Mr Jake Butcher, a local politician and entrepreneur.

The bank was closed on Monday by Mr William Adams, Tennessee banking commissioner, after a two-week examination by bank regulators revealed "large and unusual" loan losses, thought to total about $70m, and a substantial number of loans classified as doubtful or substandard.

Together, the loan losses and other classified loans totalled about $250m, or more than half the bank's total loan portfolio of $400m. The Bank's total capital is about $40m.

The Knoxville closure was the fourth U.S. banking failure so far this year and the fourth largest since the 1930s depression.

United American recently reported a fourth-quarter loss of $5.4m, which, it said, reflected a $7.5m increase in loan loss reserves. The bank reported a full-year loss of $2.3m and warned at the time that further losses could be expected as a result of the bank examiner's investigation. However, the apparent scale of the losses seems to have come as a surprise.

First Tennessee National, based in Memphis, already owns banks with total assets of $3bn.

The agreement between Federal Deposit Insurance (FDIC), which was appointed receiver for United American, and First Tennessee followed a weekend of negotiations.

Continental Illinois tries to repair image, Page 15

Hyster pay cut deal

Continued from Page 1

ernment subsidies and is designed to create about 1,000 jobs up to 1989.

The plan would be the biggest expansion in the Irvine area since the New Town Corporation was formed in 1967.

The company said it had embarked last year on a cost reduction campaign involving executive salary reductions, a freeze on wages of all salaried employees worldwide

A decision to close the Irvine plant would have aggravated the severe unemployment in the area, which is already nearly 30 per cent among males.

In addition to six plants in the U.S., one in Canada, one in Brazil and one in Australia, Hyster operate five in Europe. Hyster Europe, based in Basingstoke, England, serves the European, Middle East and African markets from the following plants:

● Nijmegen: makes electric-powered trucks from one to three-tonne capacity, diesel and petrol models from three to 40-tonne capacity. Nearly 600 employees.

● Irvine: electric and diesel-powered trucks with up to 16 tonnes lifting capacity. It is the biggest European plant, with nearly 600 employees.

● Tessendelo: manufactures components. 160 employees.

● Craigavon: manufactures one range of two to three-tonne engine-powered truck for world market – Japanese competition is most fierce in this range. About 250 employees, but may rise to 800;

● Blanchardstown (near Dublin): research and development activities with plans for production of automated materials handling equipment. Less than 100 employed – but may rise to 1,000.

UK industrial output falls

Continued from Page 1

be signs of a levelling off towards the end of the year.

The only cheer to be gained from yesterday's figures was a tentative sign of improvement in the production index for December. The all industries' index rose by 1.5 per cent compared with the previous month, but this was no more than a recovery of the sharp fall between October and November. For the last three months as a whole, total output was about 0.6 per cent below its level in the third quarter. For all industries apart from oil, the fall was about 1.5 per cent between the two quarters.

The detailed figures show a fall in output in every sector between the last two quarters of 1982, with particularly sharp declines of 5.4 per cent in metal manufacturing and 3.2 per cent in investment goods

ITT tries to silence AT & T's 'Bell'

By Paul Betts in New York

INTERNATIONAL Telephone and Telegraph (ITT), the world's most complex conglomerate, yesterday fired the first shot in its widely expected battle against its bigger telecommunications rival, American Telephone and Telegraph (AT & T).

ITT yesterday asked the Federal Court, which must approve the grand reorganisation and divestiture plan of AT & T, to strip its bigger rival of the right to use the Bell name, logo and trade marks for its marketing and promotion.

AT & T has been known in the U.S. as "Ma Bell" or the "Bell system," after the inventor of the telephone, Mr Alexander Graham Bell. The Bell symbol and logo has for generations been a household symbol and a tremendous marketing and selling asset for the company.

AT & T, under the historic anti-trust agreement with the Justice Department, reached 13 months ago, is to divest itself of all its local telephone operating companies, which account for about two thirds of its total assets, by the beginning of next year. In return, AT & T is now allowed to enter the unregulated data processing and communications markets.

AT & T last December revealed the details of how it planned to divest the local telephone companies and reorganise itself. This plan must now be approved by the judge who was hearing the anti-trust case before the telephone company and the Justice Department decided to settle the case.

Use of the Bell name has been a highly controversial issue from the start. In its reorganisation plan, AT & T has proposed that both AT & T and the divested telephone companies should be allowed to use and trade on the Bell symbol and name. But, should the judge rule that the operating companies are not allowed to use the Bell name and trademarks, these should remain with AT & T.

This caused some consternation among the local telephone companies which are clearly anxious to trade on the popular good name of Bell. They clearly would prefer the new unregulated competitor to be stripped of what they regard as an unfair advantage.

ITT yesterday said the local telephone companies should retain the Bell name because the public thinks of Bell primarily in terms of their local telephone company. ITT thinks AT & T has the perfectly good name of Western Electric, the group's manufacturing subsidiary, to trade on.

ITT also feels AT & T has attempted to bulldoze its case for keeping the Bell name by already launching this year its new American Bell subsidiary, which markets enhanced telecommunications services and telephone equipment.

AT & T has launched the enhanced information services division of its new American or "baby" Bell subsidiary with a $30m advertising campaign. ITT contends that it did so before being given the go-ahead by the court to use the Bell name.

An AT & T official emphasised last night that the company's formal divestiture and reorganisation plan called for the transfer of the Bell seal and trademarks to the local telephone operating companies.

The official described the Bell name and the trademarks as a very valuable intellectual property. "We reinvested 100 years in the name," he said.

World Weather

		C	F			C	F			C	F			C	F
Ajaccio	C	10	50	Dubrovnik	S	13	55	Malaga	C	8	46	Salzburg	C	-2	28
Akrotiri	S	17	63	Faro	S	10	50	Malta	F	15	59	Seoul	F	-3	27
Algiers	S	15	59	Florence	C	8	46	Manila	S	32	90	Singapore	S	33	91
Amsterdam	S	1	34	Frankfurt	C	-1	30	Miami	S	11	52	Stockholm	F	-1	30
Athens	F	14	57	Funchal	F	16	61	Milan	F	5	41	Strasbourg	F	1	34
Bahrain	C	22	72	Geneva	C	1	34	Moscow	F	-10	14	Sydney	S	29	84
Bangkok	C	32	90	Gibraltar	C	9	48	Munich	S	-3	27	Taipei	R	16	61
Barcelona	R	4	39	Guernsey	Sn	0	32	Nairobi	—	—	—	Tangier	C	10	50
Beirut	S	20	68	Helsinki	F	-6	21	Naples	F	12	54	Tehran	—	—	—
Belgrade	Sn	0	32	H. Kong	C	15	59	New Delhi	C	24	75	Tel Aviv	C	20	68
Berlin	S	-3	27	Innsbruck	C	-2	28	New York	C	0	32	Tenerife	F	19	66
Biarritz	S	8	46	Inverness	F	4	39	Nice	C	8	46	Tokyo	F	14	57
Blackpool	C	4	39	Istanbul	C	11	52	Oporto	C	3	39	Toronto	C	0	32
Bordeaux	S	4	39	Jersey	C	1	34	Oslo	S	1	34	Tunis	S	15	59
Brussels	S	0	32	Jo'burg	S	22	72	Paris	S	3	37	Valencia	C	7	45
Budapest	F	0	32	Las Palmas	S	20	68	Prague	C	-4	25	Venice	S	7	45
B. Aires	R	25	77	Lima	S	30	86	Reykjavik	R	6	43	Vienna	S	-3	27
Cairo	C	25	77	Lisbon	R	6	43	Rio de J'o	C	34	93	Warsaw	S	-8	18
Cape Town	S	25	77	Locarno	S	5	41	Rome	C	14	57	Zurich	C	-2	28
Caracas	S	29	84	London	C	1	34								
Casablanca	R	12	54	Los Angeles	S	22	72								
Copenhagen	S	1	34	Luxembourg	S	-2	28								
Corfu	C	13	55	Madrid	S	3	37								
Dublin	C	4	39	Majorca	S	11	52								

Readings at mid-day yesterday

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

French machine tool aid

Continued from Page 1

One, to help research and modernisation, is worth about FFr 170m ($25m) a year and is financed by a tax on textile sales. The other, worth FFr 70m a year, is similarly financed and helps technical research in the clothing industry.

A communiqué was issued in Paris at the end of January claiming that the controversial aids had no impact on intra-Community trade. France's partners had, in any case, boosted their share of the French textile market in the last 12 months, the communiqué pointed out.

The French Government identified three other industries for special attention when it launched its internal market strategy in December 1981. These were furniture, toys and leather and shoes and the policies for each sector are still being scrutinised in Brussels.

The Commission is somewhat divided on how vigorously to pursue the cases against France. It has been alarmed by complaints from Left-wingers within the French Socialist Party that Brussels is bent on frustrating the application of socialist policies.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, A.V. Hare, R.A.F. McClean, M.C. Gorman, B.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C. E. P. Smith, Frankfurt/Main.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Wednesday February 16 1983

Swedish commercial banks ahead despite loss provision rises

BY DAVID BROWN IN STOCKHOLM

SWEDEN'S two largest commercial banks, Skandinaviska Enskilda Banken (SEB) and Svenska Handelsbanken (SHB), reported mildly increased earnings for 1982, with results in both cases held back by significantly larger credit loss provisions. SEB lifted its profits by 3.3 per cent to SKr 1.1bn ($148m), while *SHB's earnings rose by 8* per cent to SKr 1.2bn.

On the consolidated account, SEB's earnings climbed 3.5 per cent to SKr 1.4bn, while SHB reported an 8 per cent growth to SKr 1.4bn.

The SEB board has recommended a dividend of SKr 11.25 for A-shares, up from SKr 10, and SKr 18.75 for B-shares, up from SKr 17.5 last year. The bank is also to increase share capital by SKr 201m with an option on one new A-share *for every five existing shares.*

SHB proposes a dividend of SKr 6.25 on its common stock, up SKr 0.75 from 1981.

The earnings figures for both banks reflect higher provisions for credit losses, in the case of SEB SKr 189m from SKr 31m last year, *and for SHB an increase of SKr* 118m to SKr 168m.

The 16 per cent devaluation of the Swedish krona last October accounted for a loss of SKr 130m for SEB, and SKr 47m for SHB.

The results show for the first time inclusion of bond transaction losses on the balance sheet, with SEB registering losses of SKr 121m, down 4.6 per cent over last year, and SHB showing losses of SKr 75m, up 13 per cent.

In addition to the higher figures for bond transaction, credit and devaluation losses, the statement reflects a recent change in accounting principles recommended by the Swedish bank inspectorate.

Banks were previously permitted *to spread such losses over a discretionary* period, while the new principle specifies that they should be reflected over a three-year period. Figures for 1981 are adjusted to reflect this change.

Stora calls shareholder meeting on bond issue

BY DAVID BROWN IN STOCKHOLM

THE BOARD of the Stora Kopparberg group, a forest products concern, has called an extraordinary shareholders' meeting to discuss their proposed issue of SKr 495m ($66.8m) in convertible bonds, to be purchased by Volvo.

The 9 per cent five-year bond could be converted into Stora Kopparberg shares at any time before *the end of 1984, giving Volvo a 25* per cent holding. Volvo purchased a 25 per cent interest in Atlas Copco, the Swedish compressed-air and hydraulic machinery group, in 1982, and the bond issue would represent Volvo's second purchase of a company regarded as belonging to the Wallenburg sphere.

Under Swedish tax law, dividends on holdings above 25 per cent are granted tax freedom, and Volvo characterised the deal as a "strategic investment."

The Stora Kopparberg directors said Volvo's industrial experience and financial resources could be positive and stabilising factors for Stora Kopparberg, which is embarking on a SKr 800m investment *to modernise its large newsprint* mill.

● Esab, the Swedish welding equipment group, raised its pre-tax earnings 43 per cent to SKr 160m ($21.5m) in preliminary figures for 1982. The company said better earnings at its Brazilian and European subsidiaries were responsible for the improvement.

Sig Bergesen ahead

BY FAY GJESTER IN OSLO

NORWAY's Sig Bergesen shipping group says its fleet earned record profits last year, despite "the most *difficult shipping market for the* past 50 years."

Operating profits, before interest costs and depreciation, rose to NKr 655m ($92.9m), some NKr 100m up on a year earlier. In addition, the group earned a profit of NKr 200m on the sale of its offshore workbarge Berge Worker, *formerly Sea* Troll. Profitable charters of the group's liquid petroleum gas (LPG) carriers accounted for much of the 1982 profits rise, according profit *this year.*

Profit after routine appreciation, but before allocations to funds and end-year appropriations, was NKr 500m – NKr 225m higher than in *1981. The dividend payable to* shareholders in the group's three shipping companies is being increased to 20 per cent, from 18 per cent in 1981.

The Bergesen fleet at end-1982 numbered 43 ships, including nine LPG carriers. Acquisitions during the year totalled four vessels – two new LPG carriers and two supertankers which formerly belonged to the Reksten fleet. Bergesen has *stakes of 62 per cent in one tanker* and 53 per cent in the other.

Australian aluminium groups in the red

By Lachlan Drummond in Sydney

COMALCO and Alcan Australia, aluminium companies, both operated in the red in the second *half of 1982* as a result of reduced demand and prices for their output.

For Comalco, an A$4.98m (U.S.$4.8m) second-half loss against an A$15.83m profit in 1981 left annual earnings 92 per cent down from A$31.78m to A$2.54m before taking in the company's equity share of associates' profits.

At Alcan, the second-half loss of A$8.43m against an A$2.36m profit compounded a smaller deficit in its opening six months to push it to an A$10.79m loss against a profit of A$7.34m previously.

Alcoa of Australia, the industry leader, last month reported a 40 per cent drop in profits to A$61.1m to outperform most *world aluminium companies.*

The annual profit of Comalco, now 70 per cent owned by the Rio Tinto Zinc (RTZ) offshoot CRA after the departure of Kaiser Aluminium of the U.S. as a shareholder, came from sales only 2.1 per cent higher at A$729.82m and was struck after tax of A$18.31m against A$44.69m.

Interest charges were a significant factor in the result, with a *44.7 per cent growth to A$44.15m.* Depreciation was almost steady at A$46.6m.

Alcan saw its sales decline by A$2m to A$233.45m and was hit by a jump in net interest charges from A$16.6m to A$21.8m. A further A$13.3m (A$4.4m) was paid but capitalised.

Tiger suspends half of its debt repayment

By Our Financial Staff

TIGER INTERNATIONAL, the U.S. air freight, railcar leasing and trucking group, has suspended payments of interest and principal on about half its $1.8bn of debt.

The company, which recently reported a net loss for 1982 of $136.2m compared with a net loss of $16.6m a year earlier, said it was taking the action as a "cash conservation measure."

The decision, which will put *the company in technical default* on some of its loans, was announced late on Monday after Tiger met its creditors in Los Angeles.

It will defer payments on bank and institutional debt but will continue to make payments on public debt

Richard Lambert in New York looks at an expanding investment firm

Goldman Sachs and its ambitions

"OUR LONG-TERM target is to become the first truly international investment banking firm, unlike anything which exists at present," says Mr John Whitehead modestly. Even for the joint senior partner of Goldman Sachs, that seems a large ambition.

The firm, which is now easily the biggest partnership in the U.S. securities industry, already has a long list of international clients, and has acted for a large number of Euro*pean companies in their rush to* acquire U.S. assets. Nearly a fifth of its income arises from overseas business compared with, maybe, a tenth two years ago.

Other investment banks also have a major presence in foreign markets already. Morgan Stanley, with its sizeable share of the Eurobond business, is one example.

But Mr Whitehead has his mind on bigger things. "We aspire over time to reach a position where we *are as important to investors in* Britain and other financial centres as we are to investors in the U.S.," he says.

"If 20 per cent of the leading companies in the U.S. are now our clients, which is roughly the case, we would like to feel that 20 per cent of the leading groups in other financial centres were also our clients."

Behind this objective lies the firm's belief that the world's financial markets are becoming increasingly international in character. The trend in this direction was accelerated in the past couple of years, partly because very high interest rates have encouraged borrowers to look for new sources of finance, and intermediaries to dream up fancy new ways of raising money.

The introduction of the Securities and Exchange Commission's Rule 415 – the so-called shelf registration rule – has also played a part, by bringing the practices of the U.S. capital markets more into line with those of Eurobond traders.

Goldman Sachs is not planning to take the foreign centres by storm. The firm made a splash on the acquisition front at the end of 1981, when it acquired J. Aron, a commodity dealer with big interests in precious metals and foreign exchange, for well over $100m. But in general, says Mr Whitehead: "We want to grow steadily, and not take huge steps that might damage the character of the partnership."

The firm is anxious to preserve its current partnership structure, and has no plans for going down the road followed by Salomon Brothers, the investment bank whose partners agreed to be taken over by Phibro in 1981 for (almost) untold gold. And as for going public – Mr Whitehead shudders politely at the idea.

He can afford to be fastidious. The firm publishes only the bare skeleton of a balance sheet: the latest figures, released in the last few days, show that partners' capital after income tax reserves, climbed from $272m to $363m in 1982, while the balance sheet footings exceeded $12bn. At the end of 1978, the balance sheet amounted to just $3.4bn, while the partners' capital was a modest $115m.

As for profits, the firm once revealed that its net income before taxes had averaged well over $25m a year in the second half of the 1970s. The betting on Wall Street is that the firm made more than 10 times that sum in 1982.

For perspective, Merrill Lynch – which at the last count had shareholders' equity of about $3.1bn – made $309m after tax in 1982.

So, international expansion will not be constrained by a lack of capital. As evidence of its strategy, Mr Whitehead cites the firm's recent acquisition of a small merchant bank in London from the First National Bank of Dallas, its move to upgrade the status of its business in Tokyo from a representative office to a branch, and the setting up of a newly-formed group to provide financial services and advice to foreign governments.

Mr John Whitehead

With more than a passing glance at the business garnered in this area by the so-called Troika – Warburg, Lehman Brothers Kuhn Loeb and Lazard Frères – the new unit will be led by Mr Robert Hormats, who was until recently the Assistant Secretary of State for economic and business affairs at the U.S. State Department.

International growth would help to broaden the base of what is already one of the more diversified investment banks. Mr Whitehead says that roughly 30 per cent of its revenues comes from activities which the firm was not significantly involved in five years ago – with foreign exchange and commodity trading as obvious examples.

Why bother to go overseas when the U.S. markets are so spectacularly profitable? Mr Whitehead agrees that the U.S. securities market is going through an almost unprecedented boom – but he is not quite as happy about it as you might expect. On the domestic front, he is strong*ly opposed to the new Rule 415* – which he hears is putting the U.S. capital markets in danger by allowing securities to be sold to the public without enough information being provided to form a proper judgment. Internationally, he sees the continuing spectre of a financial crisis.

"The late 1920s have been in mind more than usual," he admits. "I have never before experienced this kind of frothy atmosphere. *While I believe that securities have* been undervalued, and that what is happening is basically logical and justified yet still I can't help but be concerned."

Kodak sees gain in quarter

By Our New York Staff

EASTMAN KODAK, the giant U.S. photographic products group, re*ported an earnings gain* from $371.4m to $428.9m in the final quarter of 1982. But earnings for the year as a whole were down; and the group remains cautious about the outlook for the current year.

Earnings from operations declined by a tenth to $1.86bn in 1982, and net income fell from $1.24bn, or $7.66 a share, to $1.16bn, or $7.12. Kodak said that earnings would have been an estimated $1 a share higher if 1981 exchange rates had *prevailed and all other factors had* remained the same during the year.

However, lower U.S. pension costs following a chance in actuarial method and revised actuarial assumptions benefited net earnings for the year by about 49 cents a share.

Sales in 1982 rose from $10.34bn to $10.81bn, and in the final quarter they were up from $3.07bn to $3.59bn. This increase reflected slightly higher volume and the inclusion of an extra two months' sales by subsidiaries outside the U.S. and Canada – a step taken to align more closely the reporting periods of all photographic units.

The inclusion of the extra two months penalised earnings by around $22m, *mainly because of adverse currency movements.*

Intl. Thomson buys U.S. publications

INTERNATIONAL Thomson Organisation is to buy the American Banker and the Bond Buyer, two *New York-based financial publications*, and related information services, for $58m in cash, write **David Dodwell** in London and **Paul Taylor** in New York.

The deal takes purchases by this U.S. subsidiary of the International Thomson Organisation, the Toronto-based international energy, travel and publications group, to about $350m over the past three years.

The American Banker, a daily newspaper founded in 1836, togeth*er with the Bank Administration* Institute, provides an on-line information service to the U.S. banking industry. Bond Buyer, established *in 1891, publishes a number of credit* market publications and provides a syndicated service to dealers and institutions.

Mr Michael Brown, the subsidiary's chief executive, said: "We believe that the greatest growth industry in the U.S. over the next decade is the information industry. My dedication is to selling information to people who have to have it for their jobs."

International Thomson's U.S. *publishing activities accounted for* about $300m in 1982. With turnover from its travel and oil operations, earnings amounted to $450m in *1982 and are expected to be substantially higher in 1983.*

International Thomson in the U.S. bought four publishing operations, for a total of about $50m in 1982. In 1981, it bought Warren Gorham and Lamont, and the Lytton Industries publishing group for about $63m each.

International Thomson established its present U.S. structure in 1978. Its oil operations, launched in 1979, were described by Mr Brown as *"profitable, but not as profitable as* we would like." The travel business, started from scratch in 1980, is "still losing money."

In contrast, publishing has proven highly profitable, with the company adopting a policy of using profits to acquire new businesses.

Mr Derek Steinmann, who will remain as American Banker and Bond Boyer chairman and chief executive, said yesterday the purchase would help his publications take advantage of "outstanding opportunities for growth and development."

The publications, owned by a *trust, have not disclosed turnover*

THE BIG ILLINOIS BANK PICKS ITSELF UP AFTER A BAD YEAR

Continental returns to the basics

BY PAUL TAYLOR IN NEW YORK

BATTERED and bruised Continental Illinois Bank, the biggest corporate lender in the U.S., is going back to banking basics in an attempt to rebuild its tarnished image and its profitability.

The Chicago bank suffered a sharp reversal in earnings and prestige last year after its five-year-old "go for growth" policy came unstuck.

First it was hit by the recession. The slump in demand, coupled with high interest rates, pushed many of its corporate clients, particularly those in the energy and property sectors, to the brink of bankrupt – and some over the edge.

But the bank suffered the real body blow when an otherwise insignificant Oklahoma city bank called Penn Square failed last July.

Continental had bought $1.05bn in energy loans from Penn Square.

Despite signs of a recovery in the third and fourth quarters, Continen*tal closed 1982 reporting* a 87 per cent plunge in net operating earnings to $84.4m or $2.12 a share.

Loan losses soared and non-performing loans almost tripled to $1.9bn or 5.6 per cent of total loans compared with an industry average of less than 2.0 per cent.

Of the $1.9bn bundle of non-performing loans, $595m related to Penn Square.

Mr Roger Anderson, Continental's 61-year-old chairman and chief executive since 1973, believes: "1983 will be a better year for us than 1982, burring any major unforeseen developments in this country or major deterioration in the international situation."

He expects a substantial reduction in charge-offs and provisions this year, together with a further reduction in non-performing loans. This should help the bank's earnings and profitability, which plunged to a paltry 0.18 per cent return on assets and 4.9 per cent return on equity last year. Most analysts doubt whether earnings will exceed about $3 a share this year.

Mr Anderson brushes off suggestions that the management structure may have been weakened by the upheaval after Penn Square, or that *staff morale may have been* adversely affected by the trauma – or the bank's decision to suspend profit-sharing amd bonus schemes last year.

Morale, he says, is quite good and there has been no mass exodus of staff.

Turnover last year at the executive level was less thar in 1981, although he says this may reflect the fact that banks in general are not hiring as much these days.

Continental has set up a new credit risk evaluation department, known around the bank as Cred, to oversee and review lending. But even without Cred, Mr Anderson says bank lending would have slowed.

"I do not want to minimise the problems we encountered. We had a strong emphasis in the past on credit quality and that was not observed. The big change we are making in strategy is a reinforcement of credit quality. *We will continue to* have an emphasis on earnings but not at the expense of credit quality," he said.

If, as a result, Continental slips from being the number one U.S. corporate lender, few tears will be shed in Chicago. The bank has already slipped a place in the assets league table, dropping from sixth to seventh largest bank – from $46.9bn to $42.9bn at the end of 1982. This shrinkage has had the probably welcome effect – from the point of view of bank regulators – of reducing leverage and increasing the ratio of equity to total assets from 3.9 per cent to 4.0 per cent.

But the contraction in deposits also reflects the expensive "premium" which Continental is still being forced to pay for its money market funds.

Although the premium is less than the 1 percentage point Continental was being forced to pay at one point last year, the bank is still paying between ¾ and ⅝ of a percentage point more than other major U.S. banks for its commercial paper and domestic certificates of deposit.

Despite the premium, Continental did manage to increase its net interest income last year by $85m to $995.8m. Although some other banks were able to take advantage of lower interest rates and substantially increase net interest margins, Continental's margin only nudged up 2 basis points to 2.48 per cent.

The new high-interest money market accounts which the banks were able to offer from mid-December may help Continental while other banks fear they could nibble away at margins.

Devoid of a strong retail banking *base and large-core deposits of* "cheap" savings accounts, Continental has bid aggressively for these new consumer deposits. They represent net new money at rates which Mr Anderson, like others, is convinced will decline with time.

Continental also has other positive factors on its side. Unlike some of the other major money centre banks, Continental does not have an extensive loan portfolio in "problem" overseas countries.

At the end of the third quarter, the bank had $743m in outstanding loans to Mexico and $402m to Argentina. Together they represented about 3.04 per cent of its total loan portfolio of $33.75bn, of which $10.46bn was classified as foreign loans. In contrast, Bank of America has $2.5bn or 2.4 per cent of total loans outstanding to Mexico alone.

At the end of the year, Mr Anderson said about $230m of this foreign exposure was classified as non-performing, including about $100m to the Mexican private sector – under*stood to be mainly to Grupo Industrial Alfa.*

But perhaps the biggest factor in Continental's convalescence will be the state of the U.S. domestic economy. Inevitably, Continental's name will continue to figure high on the court lists of creditors to those companies which do not make it and are forced into bankruptcy proceedings.

Lower interest rates have already helped Continental's property clients, who represent about 12 per cent of the bank's total loan portfolio, and about 25 per cent of the non-performing catagory. Time, and an economic recovery, may yet heal Continental's other deep scars.

But the bank certainly believes the worst is past. Bank officers cannot conceive of a day as bad as the one when they announced a $61m second-quarter loss. The same day a crane fell off the top of Continental's lavish New York office block, killing a pedestrian below.

GM JOINT VENTURE MAY FACE UNION HURDLE

Toyota seeks Fremont labour accord

BY JUREK MARTIN AND YOKO SHIBATA IN TOKYO

THE AGREEMENT between Toyota and General Motors to jointly produce cars in the U.S. is still subject to a satisfactory labour relations accord being reached, Mr Eiji Toyoda, the chairman of Toyota, said yesterday.

The workforce of 2,500 to 3,000 planned for the Fremont plant in California is not necessarily going to be chosen from the ranks of the United Automobile Workers (UAW) union members laid-off by GM, says Toyota. The Japanese company has yet to have any direct talks with the UAW and says it has no immediate plans to enter *into any. The* UAW has made it clear that it expects the new operation to draw heavily on its currently workless members.

Mr Toyoda declined to discuss in detail the potential labour problems. However, Fremont will be run by a Japanese, with a significant Japanese presence at senior plant management level. Although two other Japanese companies, Nissan and Honda, have not experienced labour difficulties in their nascent American assembly operations to date, Toyota, an extremely conservative company, may find dealing with U.S. unions less congenial and far different from the comfortable confines of Japan's factories, with their largely compliant *house unions.*

Labour problems apart, the Toyota-GM deal was broadly welcomed in Japan by government and industry alike

Mr Takashi Isihara, president of Nissan, the second largest Japanese car manufacturer, praised the agreement saying it would help the development of the U.S. automobile industry and would have favourable effects on overall U.S.-Japanese relations.

If the Toyota-GM deal contributes to the lowering of protectionist voices, above all the defeat of the Local Content Bill which has been reintroduced into Congress, it will have served a purpose for Toyota and its Japanese rivals.

It is, at this stage, premature to speculate on whether or not other Japanese car makers will seek to establish assembly operations in the U.S., or whether, as in the case of Nissan and Honda, they will expand existing ones. Nissan's factory in Smyrna, Tennessee will only produce light trucks but the company has hinted at the passenger car option.

Meanwhile with the negotiations with GM now partially behind it, Toyota has produced a good set of results for the half-year to December 31 1982. Helped by hefty foreign exchange gains, parent company net profits were up 34 per cent to Y89bn ($380m) on sales of Y2.370bn, up 26.7 per cent.

Profits per share were Y36.82 compared with Y36.29 and the *half-year dividend is unchanged* at Y7.

Car sales totalled 1,532,562 vehicles in the period, down by 8,710, with passenger sales of 1,117,226 units (up by 2.8 per cent) and sales of trucks and buses of 415,336 units (down by 8.5 per cent). Knock-*Down sales totalled* 53,750 kits, down by 6,570 units.

Setbacks in unit sales were blamed on the global recession and voluntary restraint regulations on Japan's car exports.

Domestic sales totalled 735,667, down by 6,533 vehicles, with passenger car sales marginally up at 600,605 vehicles. *Sales of trucks and buses* totalled 135,062 vehicles, down by 7.8 per cent.

Exports were down slightly at 796,895 vehicles, with passenger car sales up 5.1 per cent at 516,621 units and sales of trucks and buses of 280,274 units, down by 9 per cent.

However, sales by value gained by 26.7 per cent to Y2,370bn, helped by the boost in the value of export sales, up by 39.8 per cent, resulting from the yen's depreciation.

Exchange gains totalled as much as Y60bn and there was an improvement in the company's financial balances of Y9.7bn. This more than offset the fall in unit sales and higher costs.

Capital investment in the January-December 1982 period was held at Y210bn against the planned Y260bn. The company *has projected Y200bn for investment* in the current fiscal year.

In the current half year, ending June 30, 1983, the company sees difficulties with the one-year extension of voluntary restrictions on car exports to the U.S. and with possible currency fluctuations.

Toyota's full year car unit sales are targeted at 3.13m vehicles compared with 3.15m in the previous year, with domestic sales of 1.51m units and export sales of 1.62m, down by 2 per cent.

Favourable effects from the recent merger with the company's sales arm are expected to contribute to an earnings rise in the current half. Full year pre-tax profits are forecast to increase by 24 per cent to Y380bn with net profits projected at Y180bn, up 27 per cent. Sales are seen rising to Y4,000bn, up by 4 per cent from the previous year. The term-end dividend is expected to be unchanged at Y14.

Highveld Steel hit by poor demand

By Our Johannesburg Correspondent

HIGHVELD Steel and Vanadium, the South African steel and ferro-alloy maker, was badly hit by poor demand in overseas and local markets in the final six months of its 18-month reporting period ended December 1982.

Turnover in the six months was R160m ($143m) against R377m in the preceding 12 months while pre-tax profits were R19.9m compared with R75.2m.

The company instituted major production and staff cutbacks in the six months. Two of its six submerged arc iron-making furnaces were removed from production and 1,200 *employees* were let go. In addition the Vanadium Pentoxide division continued to operate only one of its eight roasting units in response to *poor demand for* vanadium worldwide. Both ahead of and after the production cutbacks Highveld added to its stocks of semi-finished products, *and the company sees* little prospect of an improvement in performance until the world escapes from its present recession.

A dividend total of 49 cents has been declared from earnings of 101.5 cents a share for the 18-month period. In the year which ended June 1981 earnings were 71.6 cents a share and the dividend total was 32 cents.

ICI Australia down further in first quarter

By Our Sydney Correspondent

ICI AUSTRALIA has begun the year to September on a gloomy note with sales volumes down *by 8 per cent for the opening* quarter. The poor start follows three years of steady earnings decline for the company and a one-third fall in net profit to *A$31.3m (US$30.4m) in 1981-82.*

Mr M. D. Bridgland, the chairman, also told the annual meeting yesterday that while *volumes were down, selling* prices had not kept pace with cost increases although government action on dumping held the prospect of some price recovery. *Improvements in the* plastics and petrochemicals operations were dependent on government action, he said.

As part of internal moves the company has called a halt to all non-essential new capital spending and is cracking down on costs in all areas.

After the shedding of 5 per cent of the workforce last year more jobs will go and there is a prospect of further plant closures, he warned.

The company does not expect to see a resumption of major capital spending for the next year or two, although it is carrying through projects already under construction, including an expansion of its Sydney petrochemical works which will provide substantial energy savings and relieve production constraints when completed later this year.

Maiden result from Elders IXL

BY LACHLAN DRUMMOND IN SYDNEY

ELDERS IXL has produced net *earnings of A$29m (U.S.$28.1m)* for the first half-year of full operation of the merged interests of the Elders rural merchant, agent and finance *operations, the Henry Jones* IXL food activities and the Wood Hall Trust and AML and F Holdings rural trading and finance activities.

The profit for the six months to December 31 bears little relation to the comparative A$16.26m because the earlier result included only one month *of Henry Jones and no contribution* from Wood Hall.

But when set against the A$47.5m earned in the final half of 1981-82 it reveals the effects *of drought on Elders and recession* in other areas.

The directors say that because of the lack of comparison in the latest results a similar increase to the 79 per cent gain *should not be expected in the* second half, and warn that trading conditions will continue to be difficult in the remaining months of the year.

Indeed, should the group only maintain the first-half performance total earnings would fall short of the A$61.3m of 1981-82 and with little sign yet of a lifting of the drought and recession showing no signs of easing, prospects for equalling the final half result of last year may not be good.

However, it will benefit from the reduction in interest rates, as the conversion of the conservative balance sheet of Elders to the more highly geared levels of Henry Jones pushed up net interest charges in the latest half from A$3.67m to A$30.59m. Part of this will have come from *borrowings made to finance the* A$90m acquisition of Wood Hall Trust, although it excludes the effect of the various finance operations.

The directors said all divisions of the group performed well in the period and that given the poor trading conditions the result was "very satisfactory."

The profit came on turnover ahead by 48 per cent from A$1.24bn to A$1.83bn reflecting the inclusion of new operations.

It also includes A$5.7m compared with A$2.5m from the sale of surplus assets, which the directors believe should be considered "unextraordinary" and came after tax of A$9.1m against A$9.73m.

The interim dividend has been raised from 7 cents a share to 8 cents.

Sharp fall in earnings at Trencor

By Our Johannesburg Correspondent

SOUTH AFRICA's economic downturn has badly affected the *first-half profits of Trencor, one* of the country's largest private sector transport companies. Turnover in the six months to December 1982 fell to R50.1m *($44.7m) from R55.1m in the* corresponding period of 1981 while pre-tax profits were 53.7 per cent lower at R3.37m compared with R7.28m.

The directors say that lower base minerals production had a significant effect on Trencor's important Northern Cape and Namibian heavy transport operations. *Worse affected was the* company's engineering division which makes trailers and containers.

In his chairman's report to shareholders last October, Mr Neil Jowell said he expected Trencor's profits to be substantially lower than in the year ended June 1982. For that year the company's turnover was R113.2m and pre-tax profits R14.53m.

The interim dividend has been maintained at 46 cents a share from first-half earnings of 219.3 cents a share against 425.4 cents. For 1981-82 the total dividend was 150 cents and earnings were 737.6 cents a share.

Low tax keeps Jennings ahead

BY OUR SYDNEY CORRESPONDENT

JENNINGS INDUSTRIES, Australia's largest house builder, suffered a sharp drop in pre-tax earnings in the half year to December 31 but at the net level was able to produce a 7.3 per cent improvement to A$5.58m (US$5.41m).

The decline at the pre-tax level from A$8m to A$5.75m reflected a steep falling away in earnings from property development interests, losses in manufacturing activities and a downturn in housing construction from 2,169 units to 1,978.

The general construction activities performed well, and the acquisition of Dillingham Australia in this sector lay behind the almost non-existent tax charge as a result of benefits from losses carried forward. The division contributed almost A$4m of net profits.

Group turnover was 21.9 per cent higher at A$263.9m while net financing costs were up from A$3.78m to A$4.4m.

For the remainder of the year Jennings expects sound contributions from housing and other construction activities, a probable return to profits from the manufacturing side and an improvement from property development activities.

The interim dividend is held at five cents a share.

INTERNATIONAL APPOINTMENTS

Midland Bank senior posts in Germany and Austria

● **Mr Bernhard Kaseborn** has been appointed managing director of MIDLAND INTERNATIONAL TRADE SERVICES (GERMANY) in Hamburg, from March 1, in succession to **Mr Walter Lerch** who will be retiring.

Mr Helmuth Bohunovsky has been appointed chief executive and chairman of the managing board of MIDLAND EXPORT-CREDITBANK in Vienna, Austrian export finance subsidiary of Midland Bank Group International Trade Services. He *succeeds Mr Kaseborn and was* formerly a member of the managing board of AWT in Vienna.

● **Mr T. Bernard (Bernie) Slattery** has been named *system* director-agency, interline and commuter sales for PAN AMERICAN WORLD AIRWAYS. Mr Slattery will be based at the airline's corporate headquarters in New York.

● **Mr Richard J. Williams** has been named president of COMMERCE AND INDUSTRY INSURANCE COMPANY, a member of American International Group Inc. He will be based in New York. **Mr James E. Smith** has been appointed the *new managing director of* AMERICAN INTERNATIONAL UNDERWRITERS (UK) and senior American International representative in the UK.

● **Mr Michael Savage**, personnel director and regional director, Africa for BP International, has resigned in order to take up an appointment as president *of MERLIN PETROLEUM COMPANY*, an independent oil and gas exploration company based in San Francisco. Mr Savage was president of Sohio Petroleum Company in San Francisco from 1978 until early 1982.

● **Mr James P. Barry, Mr Jeffrey F. Ingber, Mr Gerald P. Minehan** and **Miss Joyce E. Motylewski** *have been made officers of the* FEDERAL RESERVE BANK OF NEW YORK. Mr Barry was made assistant chief examiner in the bank examinations department; Mr Minehan, manager of the foreign banking applications department; and Mr Ingber and Miss Motylewski assistant counsels in the legal department.

● **Mr Bobby R Inman** has been named president and chief executive officer of the MICROELECTRONICS AND COMPUTER TECHNOLOGY CORP, a co-operative research and development corporation formed to try to maintain U.S. pre-eminence and predominance in the microelectronics and computer fields.

● **Mr J. M. Barry**, chief executive of Musgrave Frozen Foods, Cork, Ireland, has been appointed to the board of MUSGRAVE LIMITED. Musgrave Frozen Foods are the Irish distributors for Ross Foods and Youngs Seafoods. Both companies are subsidiaries of Imperial Foods.

● **Mr Jack W. Lyon** has been appointed assistant secretary of WARNER COMMUNICATIONS INC., and corporate director of risk *management. Mr Lyon is* responsible for overseeing the company's property and casualty exposures worldwide. Mr Lyon was director of risk management *for the Ingersoll-Rand Company.*

● **Mr John A. DiFalco** has joined SWETT & CRAWFORD as assistant vice president and manager of its Portland office. *Prior to joining Swett & Crawford*, Mr DiFalco was property manager and assistant vice president for Johnson & Higgins in Portland and regional underwriting manager for Wausau Insurance in New York, Phil*adelphia and Portland.*

● **Mr Robert v Lindsay**, president of J P Morgan & Company Inc., and its subsidiary, Morgan Guaranty Trust Company, has *been elected to the board of* RUSSELL REYNOLDS ASSOCIATES, New York.

● **Mr Andrew L. Lewis, Jr.** former U.S. Secretary of Transportation, now serving as chairman and chief executive officer of Warner Amex Cable Communications, Inc, has been elected to the board of CAMPBELL SOUP COMPANY.

● **Mr D. C. F. Curtis** has been appointed a member of the board of ARIEL INTERNATIONAL BV and assistant group managing director. Mr Curtis has been the *senior Ariel management representative* in Paris since February 1981. **Dr Th. Machielse** has been appointed a member of the board. Dr Machielse has been the senior *Ariel management representative* in Rotterdam since 1979. **Mr Th. Sandberg** and **Mr J. A. J. Leeman** have also been appointed to the board.

● **Mr Alberto Cribiore** has joined WARNER COMMUNICATIONS as senior vice-president and will be responsible for corporate development and acquisitions. For the past six years he has been vice-president in charge of corporate development for North America of IFINT-USA, the U.S. arm of IFINT, a worldwide investment group. **Mr Jay Eliasberg** *has joined Warner Communications* Inc. as vice-president, research. He will direct all market and media research and co-ordinate long-range planning *and the dissemination of research* data. Mr Eliasberg was until recently vice-president, research, CBS/Broadcast Group.

● **Mr Wolfgang Schaer**, president *of LITTON INDUSTRIES' Hellige* division in Freiburg, West Germany, has been elected a Litton corporate vice-president.

● WHITBREAD has appointed **Mr John Andersen** president and chief executive officer of Julius Wile Sons and Co Inc. New York, from March 1. Mr Andersen joins Julius Wile from the Marriott Corp of Washington and was previously president and chief executive officer of Sonoma Vineyards in California. Whitbread acquired Julius Wile from *Nabisco Brands last October.*

● MERCANTILE BANK OF CANADA has made a series of executive changes from March 1. **Mr Scott Shelly**, senior vice-president credit policy, has been appointed to a new position as executive vice-president corporate banking Canada. He will be succeeded in the credit policy post by **Mr Larry Pirnak** currently senior vice-president of the eastern division.

● REPUBLICBANK CORPN has made two senior promotions. **Mr Gerald M. Czarnecki** has been elected executive vice-president and manager of the newly-formed corporate development department, and **Mr Edward R. McPherson** has been named senior vice-president and chief financial officer of the corporation. The new department includes human resources; strategic development; marketing services; and financial services. Mr McPherson will manage the finance department which includes the controller, treasurer, and tax divisions. He will continue to be responsible for RepublicBank's financial planning and investor relations.

● CASTLE AND COOKE INC., San Francisco, has made **Mr Ian R. Wilson** president and chief executive officer, succeeding **Mr Henry B. Clark Jr.**, who remains chairman.

● **Mr Richard D. Capra** has been appointed executive vice-president of ADVANCE TRANSFORMER CO., a wholly-owned subsidiary of North American Philips Corpn. Before joining Advance Transformer Co., Mr Capra served as president of The Richardson Company.

INTL. COMPANIES & FINANCE

Receivers move in to prune largest Dutch shipbuilders

Dust settles round RSV's fall

BY WALTER ELLIS IN AMSTERDAM

RIJN-SCHELDE-VEROLME, the the largest Dutch shipbuilding group, was thriving and self-confident a decade ago, able to boast "We are Dutch and serve the world." Now, it has sought protection from its creditors in the hands of the receivers. It faces reconstruction involving heavy pruning. The Dutch press has one word for it—"debacle."

Two weeks ago, the Dutch Government refused the group, in which it has, itself, a 46 per cent stake, a further Fl 300m ($113m) of aid, to add to the Fl 2bn provided since 1977, and some 6,000 of the remaining 17,000 workers are to lose their jobs.

Like all Western shipbuilders, RSV has suffered greatly under the impact of the international recession and Far East competition. Orders have been hard to come by. Nevertheless, as the dust begins to settle around the fallen empire, it appears that a major part of the blame is to be laid firmly at the feet of the management. There have been too many tactical blunders in recent years for everything to be the fault of others.

Mr Allerd Stikker, the chairman of the company, announced his resignation last October, just as the problems were coming to the boil, and is to leave the company in May. He denies that he felt compelled to go—though there had been calls by members of Parliament for him to do so—but his departure offers the opportunity for a new beginning.

Mr Stikker's announcement of his decision to go followed hard on the heels of publication of the group's best results for several years. Excluding earnings from its highly successful Brazilian subsidiary, RSV recorded a net profit for the first six months of 1982 of Fl 5.2m ($2m) against a loss in the same period the previous year of Fl 53m. Addition of the Brazilian earnings led to a robust total of Fl 65m.

Underlying the profit recovery, however, was rapidly worsening liquidity. Indebtness, centred on the Fl 2bn in Government loans since 1977, had been intensified by a catastrophe in the U.S.

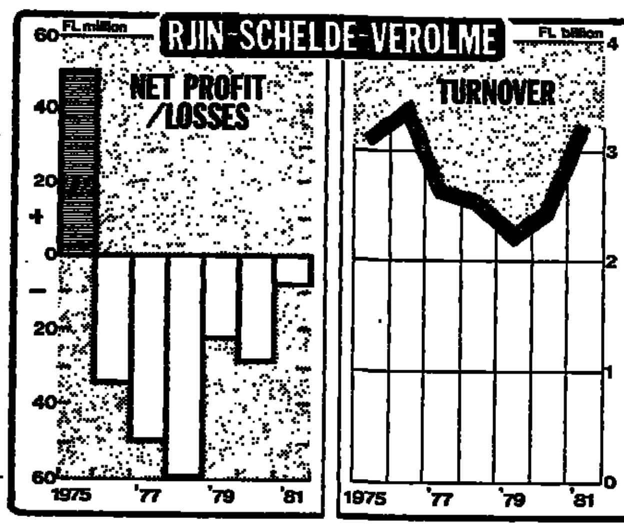
RSV in 1981 entered into a partnership with Mr James Stacey, president of Advanced Coal Management, an American resources company, for the sale of 200 sophisticated coal excavators made in Rotterdam. The machines were worth some Fl 800m in 1981 prices, but up to October last year only 30 had been delivered and none had been placed. RSV paid Mr Stacey and his companies Fl 20m for their services and, in total, invested Fl 220m in the project.

To help finance sales which were not forthcoming, but for which outgoings continued to accrue, RSV decided to sell its minority stake in five U.S. coal mines. The deal could have been worth up to Fl 400m and would, it was hoped, have enabled the mines, replete with fresh capital, to buy up the excavators. Unfortunately, no deal was concluded. The exact state of play today is difficult to assess. RSV—now in receivership—currently refuses to say anything about the U.S. deal. It has to be assumed, though, that the situation has not improved. By the beginning of this month, the group's cash-flow problems were so acute that there were no choices left but for it to go to the Government for more aid or to ask the courts for a protection order under Dutch moratorium legislation.

When Mr Gijs van Ardenne, the Economics Minister, told a shocked Parliament on the third of this month that the Government was not prepared to go on bailing out RSV, the company took up the second option within a week. The receivers moved in, emergency restructuring began and the redundancy notices were prepared.

Also in 1981, as troubles were building up in America, it was announced that the company had lost Fl 48m in connection with a series of energy related turnkey projects in Algeria.

In spite of these difficulties, not all was untoward at RSV. The group has as many as 117 divisions, and a number were flourishing, even in the recession—with the Brazilian venture, wholly owned, performing exceptionally well. Some 12.5 per cent of profits from Brazil is repatriated to the Netherlands.



Graham Lever

A recent recovery in profit performance at RSV is overshadowed by cash flow problems. The extent of the cutbacks is reflected in the fall in the workforce from 27,000 in 1975 to 17,000 in 1982—with a further 6,000 jobs imminently to be lost

Fine ships were—and are—still being built in the Netherlands, and the group's naval yards have maintained a steady flow of business even in the face of cancelled orders and a political controversy over a submarine order for Taiwan. What had happened was that turnover generally was down because of the world fall-off in demand, and remaining profits were not enough to cover growing losses in America and Algeria.

RSV, it should be recalled, had been restructured in the mid-1970s to help it cope both with the recession and with the fact that yards in South Korea and Japan were taking vital business in the ship construction and repair sectors.

As things turned out, the injection of state money (including a 46 per cent participation), far from solving the group's problems, served only to store up debt problems for the future. Modernisation was carried out, closures were implemented and the workforce slimmed down from 27,000 to 17,000. Between 1977 and the end of last year, Government cash was transferred to the group as though by conveyor belt, and the surprise is not that this flow has stopped but that it was allowed to go on for so long.

Mr van Ardenne evidently must have agonised over the matter before deciding that enough was enough. Unemployment in the Netherlands in January reached 744,500, and the Minister can have had no desire to add a further 6,000 people to the dole queues. The Government is, however, a Centre-Right coalition of Christian Democrats and Liberals and was elected last September with a firm mandate to cut back on non-productive expenditure.

McKinsey and Co., the American management consultants, widely used by the Government, had carried out an investigation into RSV which concluded that only a handful of its activities was viable, and it was their report which eventually blocked the supply of Government funds. It was decided that no further aid would go to the holding company, RSV, and that limited credit only would be provided to 14 of the individual companies, including those engaged in defence work, pending renewed reorganisation. A figure of between Fl 800m and Fl 1bn has been quoted as the possible cost to the Government of aiding what is left and disposing of the rest.

Mr van Ardenne has already said that he is "far from optimistic." He was determined to break the spiral of aid. Mr Stikker and the trade unions, plus many members of Parliament from all parties, are convinced that something more could have been done.

Perhaps it could. But in the absence of limitless funds, RSV's present unhappy situation was almost inevitable. It was a victim of bad judgment and bad luck. Its remaining workforce must only hope that the new, stripped-down RSV will stick within its cash limits and begin the long haul back to profit.

UK COMPANY NEWS

Australian setback hits Dalgety's midway profit

BY OUR FINANCIAL STAFF

A LOWER trading result from the drought-hit Australian operations has clipped the profit of Dalgety for the half-year ended December 31 1982, which at the pre-tax level has fallen from £19.6m to £18.1m.

In Australia the conditions severely affected farmer clients and consequently Dalgety's business. Last year Australia contributed 11 per cent of trading profits and the effects of this on group results will not be as marked as they would have been in the past, explains the chairman, Mr David Donne.

The setback in Australia was to some extent offset by an improvement in the U.S. All sections of the operations – food distribution, food ingredients, frozen vegetables, and hybrid pig breeding – have contributed to the better result.

There are signs in Canada of improved lumber prices and a pick up in demand resulting from the increased level of housing starts in the U.S. This, Mr Donne says, is the first step towards a return to the level of profitability which for many years has characterised the Canadian operations.

■ DALGETY
International farming and commodity merchanting

Half-year to Dec 31	1982	1981
	£	£
Sales	1.37bn	1.23bn
Pre-tax profit	18.1m	19.6m
Tax	7.2m	6.9m
Attributable profit	11.1m	14.6m
Earnings per share	13.1p	16p
Dividend	11p	11p

Dalgety Spillers achieved a small increase in profit. The recent investment programme in animal feeds and flour milling has continued to produce the increased profits that were planned. The improved results more than offset the effects of a low point in the trading cycle for meat and eggs, and strong competition in the grocery and pet-food markets.

The New Zealand business has performed well in trading conditions that were never easy for the country's traditional agricultural products.

The directors have declared an unchanged interim dividend of 11p net. Last year a final of a similar amount was paid from pre-tax profits of £45.7m. Earnings for the six months' period came out at 13.1p against 16p.

At December 31 the group had short-term borrowings of £91.7m (£90m) and loan capital of £147.7m (£164.4m). Included in those totals, secured borrowings amounted to £17.4m (£12m) and £41.3m (£43m).

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Risk capital group seeks £10m more for business start-ups

BY TIM DICKSON

ELECTRA Risk Capital, a subsidiary of Electra Investment Trust, is hoping to raise a further £10m from private investors to back new UK companies.

Master shares of £2,500 each are now available in Electra Risk Capital II (ERC II), the second fund which Electra has launched under the Government's Business Start-Up Scheme. the first pulled in £8.68m in October 1981 and while only £5.45m of this has been committed or invested to date, the managers expect the money will largely be exhausted by the end of the current tax year.

The Government's Business Start-Up Scheme was first introduced in the 1981 budget to give individual investors tax relief at their top marginal rate on investments in new businesses – defined as up to five years old. The maximum amount which will obtain relief is £20,000 a year while the shares have to be held for five years to qualify.

The scheme was intended primarily for individuals acting on *their own behalf, but some 10 so-*called Approved Investment Funds (AIFs) have already been set up to give investors the opportunity to put their money into a manged vehicle. *Most are now closed.*

ERC's managing director, Mr Gordon Dean, said yesterday that a main reason for launching a second fund was the flow of new investment ideas. "Currently we are receiving three or four proposals each working day and we have looked at nearly 500 over the last 18 months."

Mr Dean said it was too early to judge how ERC I would perform. "Our first ever investment, Eosys has exceeded expectations and one is giving us cause for concern, but the vast majority are just jogging along."

He conceded that some existing investors would wish to see results before committing more money but that there were still many people "without a stake in a start-up fund *who could well do with one*". Advance commitments total £2.5m.

ERC 11 hopes to invest its money by the end of the tax year 1983-84 but under the rules investors will *not get their tax relief until four* months after each of the companies it backs have started trading.

Its investment policy will not be confined to any one but will be directed particularly at companies engaged in biological, medical and scientific applications, computer sciences and engineering, information technology, communications and televisions systems, robotics and other sectors thought to have "excellent growth prospects".

The management company will keep interest on funds while they remain uninvested and will charge the investee business a fee.

Strong gains at Lloyd's Life

By Eric Short, Insurance Correspondent

A SURPLUS of £1.5m on its life funds for the year to September 30, 1982, is reported by Lloyd's Life Assurance – more than double the surplus of £700,000 achieved in the previous year.

However, there was no transfer made to the profit-and-loss account, neither was a dividend recommended for the year. The value of the company's shares, which are held within the premium trust funds at Lloyd's, rose from £7 to £8.25 as at December 31, 1982.

The combined values of funds within the company climbed during *the year from £100m to* £163m. UK funds passed the £100m mark, rising from £78m to £119m, while funds of the Isle of Man subsidiary increased from *£18.5m to £40m. Shareholders'* funds remained at £4m.

Premium income during the year advanced by more than 50 per cent from £37.1m to £56.3m, *while investment income im*proved by a third from £9.5m to £12.8m. Investment values rose by £22.4m during the year compared with a fall of £8.1m in the previous year. Claims and annuity payments were nearly a quarter higher, at £15.1m compared with £12.2m. Commission payments jumped by more than 40 per cent from £6.8m to £9.7m, reflecting the buoyant new business while management expenses climbed by a similar percentage from £3.2m to £4.55m.

Mr Robert Kiln, chairman of Lloyd's Life, in referring to the ending of the commission agreement by the Life Offices Association, said that *Lloyd's Life*, which is not a member, along with other non-member life companies, hoped to freeze maximum commission levels this year in order to maintain an orderly market. But this would depend on the good sense and restraint of the whole market.

CORRECTION OF 'MISDIRECTED' EXPANSION

Belhaven sells holiday village

BY DAVID DODWELL

MR ERIC MORLEY'S Belhaven Brewery Group, which spans brewing, leisure, construction and plastic packaging, has exchanged contracts for the sale of its Golden Sands Holiday Village in Norfolk for an overall £525,000.

The sale comes just two months after the disposal to Mr Morley of the company's two-thirds share in the "Miss World" contest for £675,000. This was only bought by the group in March last year.

Group borrowings were trimmed *to about £700,000 following the Miss* World disposal, and will be trimmed further following the sale agreed in principle yesterday.

The Golden Sands, with a second nearby holiday village, and a hotel in Torremolinos, Spain, have for some time been recognised by the group as part of a "misdirected" expansion into holiday leisure services *since Mr Morley joined the* board, as its chairman, with Sir Fred Pontin late in 1979.

"We couldn't really dispose of it fast enough," Mr Morley said yesterday. The purchaser, Mr Ronald Toone, who is a Norfolk-based architect, has agreed that on completion of the deal at the end of February, he will pay £465,000. The remaining £60,000 will be paid in April.

Belhaven has since the financial year ending in March 1981 slumped *from profits before tax of £599,000* to profits of £4,000. Sales in the same period have risen from £8m to near 11m. The group's leisure activities have been a significant factor accounting for the profits decline.

Mr Rod Jones, the group's finance director, said yesterday that Golden Sands had made a £90,000 loss in the financial year ending last March. A loss of between £150,000 and £200,000 is expected this year.

The group is also keen to find buyers for its second holiday village, *Denes, and for its Spanish ho*tel. The hotel lost about £190,000 last year, but is expected to return to profitability during the coming financial year.

"From a mess, we have got back to a reasonable profit area," Mr Morley said yesterday. "We have prepared the ground to bound *ahead again next year* – though I admit we have stood still for two years. We just took a wrong fork.

"We are in active negotiations over expansion in the leisure field," Mr Morley said. "*It is just not going* to be the holiday leisure field."

Belhaven's traditional activity as a Dunbar-based brewer of real ale, has grown steadily despite the group's problems in other sectors. In the half-year group's problems in other sectors. In the half-year to the end of September 1982, brewing accounted for pre-tax profits of £203,000, compared with £171,000 a year earlier.

Its plastic packaging business, which has been loss-making for two years, suffered a setback in January when its King's Cross factory was burned down. Production continues at its main London plant.

Mr Toone said yesterday that he had bought the Golden Sands Holiday Village as a family venture to be headed by his son.

"London is not a very good base to run the village from," he said. "We know the area well, and the people who visit it. We are convinced that the business will pick up once people realise it is a family-run affair."

Davidson Pearce in buy-out from U.S.

BY FEONA McEWAN

DAVIDSON Pearce, the successful American-owned advertising agency ranked 10th largest in Britain, is to buy itself back to British ownership.

Since 1970 the agency has been part of the giant U.S. Ogilvy and Mather International group, al*though it functioned independently* and separately from its parent.

News of a buy-out first came last November when Davidson Pearce won the £9m Fiat Cars account. This was seen to be *in conflict* with the massive Ford account which O & M in London handles.

"Since then we've been discussing various ways to solve the problems to our mutual agreement," says chairman Chris Hawes, who is also president of the Institute of Practioners in Advertising. "We've now done so."

In an agreement that reverses the trend of U.S. takeovers on the British advertising scene, the agency's management and staff will be able to acquire 60 per cent of the company's equity with the option to buy the remaining 40 per cent.

This will put Davidson Pearce among the top four British-owned advertising agencies alongside Saatchi and Saatchi, Allen Brady and Marsh and Collett Dickenson Pearce.

For the Knightsbridge-based agency which counts Walls, British Telecom, British Gas, Lever Brothers, British Aerospace and Chesebrough-Ponds among its client list and last year chalked up billings of £39m, the buy-out means a lot of people borrowing money to obtain the equity. But, says the chairman, the share of owners will be widely spread and the character of the agency will not change. There are no plans at this stake to go public.

This is thought to be the first time a successful large agency has bought itself out of an international group since the Second World War.

Kelsey tender offer to buy back shares

BY OUR FINANCIAL STAFF

KELSEY Industries, a Hemel Hempstead manufacturing company, is to become the first public company to buy up a chunk of its equity capital by means of a tender in accordance with the 1981 Companies Act.

The solder, audio and video accessories and building products company announced last night details of a scheme enabling it to buy back up to 20 per cent of its ordinary share at a price between 150p and 240p. Yesterday's closing price was unchanged at 175p, but the shares were expected to open this morning at around 210p.

If the company buys all the *768,000 shares at the maximum ten*der price of 240p, it will have to pay £1.84m to the vendors, plus £800,000 in advanced corporation tax, which can be used to reduce its liabilities in future years, plus *£50,000* in expenses. The money is to be raised by means of an unsecured bank overdraft.

At present, Kelsey has zero borrowings and £10.5m of shareholders' funds. Its net asset value on a historic cost basis, but including recent property revaluations, is 276p per share. The year-end results to September announced two months ago showed a decline in pre-tax profits for the second successive year to £1.26m.

Mr Mark Loveday, of Cazenove, stockbrokers to the company, said last night: "The cash flow has always looked sound and now they want to introduce an element of gearing into the company. They have bought *some* properties quite successfully but will be spending less on plant and equipment over the next few years."

Shareholders have the right to sell their shares either directly to the company or through the Stock Exchange. A direct sale would make the vendor liable to income tax and is thus attractive only to *tax-exempt institutions.* Inland Revenue clearance for the scheme has been granted

An annual general meeting has been called for March 9 to approve the proposals, *after which the com*pany will accept tenders. A further general meeting is necessary to approve off-market transactions on April 29. The directors, who will not be selling any of their 39 per cent beneficial shareholding, are assured of a majority with the support of family trust shareholdings.

To date, only two other public companies have used the powers granted by the 1981 Companies Act to purchase their own shares. These were Epicure, which bought its shares in the open market, and Manganese Bronze Holdings, which called in preference shares.

"I think this mechanism could be an attractive option for a family *type company with a positive cash* flow but a dead market in its shares," Mr Loveday said.

Unitisation plan for Broadstone Trust

BY CLIVE WOLMAN

THE BROADSTONE Investment Trust, managed by Schroders, is to be converted into a unit trust, giving further impetus to the contraction of the investment trust sector proposed by institutional investors.

The directors decided at a meeting held on Monday night to submit proposals for unitisation to their shareholders. The Prudential Group and the London and Manchester Assurance Company, who together hold 42 per cent of the shares in the Broadstone Trust, *have already pledged their support.*

The Broadstone assets, which are divided primarily into UK and U.S. stocks and shares, are likely to be distributed among the existing unit *trusts run by Schroders. Sharehol*ders will then be given units in each of the trusts concerned and so escape any immediate liability to capital gains tax. Broadstone's two outstanding debentures are to be repaid and its holdings in unquoted companies, which account for 10 per cent of its assets, will be sold off.

In the last year four investment trusts have been converted into unit *trusts and proposals to* unitise a fifth are under consideration. This follows expressions of concern by institutions about the large discounts to net asset values from which investment trust prices have been languishing since the early 1970s.

On Monday Broadstone's share *price stood at a discount of 25 per* cent to its net asset value compared with a sectoral average of 22 per cent. Yesterday the share price rose from 249p to 330p after he announcement.

Mr Richard Green, of stockbrokers James Capel, said: "Moves like this don't help solve the discount problem. The supply of stock is contracted but so is the demand as people tend not to encash their units and re-enter the sector."

The Broadstone company results for the year ending December 31 show that revenue, after expenses but before tax, increased from £1.63m in 1981 to £1.72m, with net asset value rising from 284p to 341p. The dividend per share was increased from 7.45p to 7.85p.

Scottish Mutual bonuses up

By Our Insurance Correspondent

SUBSTANTIAL increases in reversionary bonus rates for the three years to December 31, 1982 have been declared by Scottish Mutual *Assurance Society.*

On assurance contracts, the rate applicable to the sum assured is improved by 50p to £4.75 per cent per annum, though the rate applied to attaching bonuses remains at £6 per cent per annum.

Individual pension contracts receive a £1 increase in the rates to £5.75 per cent per annum of the basic benefit and £7.5 per cent per annum of attaching bonuses. In addition, the company is paying an additional special bonus of 10 per *cent of attaching bonuses.*

The terminal bonus scale has been completely recast resulting in significant increases at the short terms. On assurance contracts, the new scale ranges from 20 per cent of sum assured and attaching bonuses for 10 years in force to 50 per cent for 40 years. The terminal bonus for individual pensions will be 50 per cent of attaching bonuses.

The company will be declaring reversionary bonuses annually in future. The intermediate reversionary rate will be on the annual equivalent to the declared rates, that is £4.5 per cent and £5.75 per cent for assurances and £5.5 per cent and £7 per cent for individual pension contracts.

UK COMPANY NEWS

Ronson consortium steps up offer for UDS group

BY JOHN MOORE, CITY CORRESPONDENT

MR GERALD RONSON and his consortium of pension funds and investment trusts have raised their offer for the UDS stores group from £191m to £217m in an effort to gain control of the company.

The new deal, made through Bassishaw Investments, the company specially formed to mount the takeover bid by Mr Ronson and the institutions, offers UDS shareholders 114p in cash for each of their shares compared with the offer made last month of 100p in cash for each share.

On the London stockmarket shares of UDS rose 6p to 110p.

Sir Robert Clark, chairman of UDS, who is planning to sell John Collier and the Richard Shops chain of stores, which form a major part of his company, to Burton Group, the retailer in a £78m deal, met with his board yesterday to consider the new offer.

Sir Robert last week urged shareholders to reject the offer from Bassishaw of 100p per share describing the offer as "totally inadequate." He said the deal with Burton and the remaining UDS group "are worth much more than this."

In its new move Bassishaw has put pressure on UDS which has only limited time to put the Burton proposals to shareholders.

If Bassishaw gains 51 per cent of the UDS equity and the bid becomes unconditional then the Burton proposal for the purchase of John Collier and Richard Shops will not proceed.

The first closing date of the Bassishaw original offer takes place tomorrow. So far the group has received acceptances of its offer representing only 0.7 per cent of the UDS equity. Under its new offer Bassishaw has received undertakings from some shareholders that they will accept the terms, and these shareholders hold shares representing 9.3 per cent of the UDS equity.

The new bid could go unconditional before UDS has time to call a meeting of shareholders to approve the sale of Richard Shops and John Collier to Burton Group.

Burton Group's chairman, Mr Ralph Halpern, said last night that his offer for John Collier and Richard Shops remained on the table.

Bassishaw has received irrevocable undertakings to accept the increased offer from investors in respect of 17,685,124 UDS shares, representing 9.3 per cent of the total issued capital.

Acceptances received in respect of the original offer of 100p amount to 1,388,669 shares, representing 0.7 per cent of the issued capital of UDS. This total includes 1,138,750 shares which are subject to the irrevocable undertakings.

NatWest extends charge for cashing cheques

BY WILLIAM HALL, BANKING CORRESPONDENT

NATIONAL WESTMINSTER Bank, which has the biggest branch network of any UK bank, is to charge customers of several small banks 50p for cashing personal cheques at its branches.

Customers of banks such as Williams & Glyn's, Yorkshire Bank, Co-operative Banks, Standard Chartered Bank and foreign banks will be most affected by the decision.

Until now they have been able to cash cheques at any of NatWest's 3,000 branches, even though their own banks had much smaller branch networks.

Mr Bert Morris, money transmission manager at NatWest, said yesterday: "We have held out as long as possible but find that more and more customers of smaller banks are using our branch counters." In order to protect the interests of NatWest customers, the bank had reluctantly decided to impose the new charge.

Until May 1981, the customer of any bank in the UK could walk into any of the 12,000 branches of the *High Street banks and cash* cheques free of charge. The banks believed the policy encouraged the spread of the banking habit by making more bank branches available.

However, in May 1981, Barclays Bank announced that it would start charging customers of other banks for transacting business at its branches. It said that it cashed 24m cheques a year for other banks' customers while they handled only 12m Barclays cheques. A few months later Midland Bank followed suit.

By contrast NatWest and Lloyds Bank continued to operate on the old principles of offering reciprocal facilities to other banks' customers as long as they did not charge NatWest and Lloyds customers.

Last July, Lloyds announced that it would charge 50p for cashing cheques of all rival banks' customers except for NatWest, and now NatWest is following suit. It will continue to cash cheques free for customers of Lloyds and the Scottish banks, which offer similar services to NatWest customers.

LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‡108	F.P.	13.1	238	140	✠Baltic Leasing 5p	238	+5	b2.8	3.5	1.7	18.8
[illegible]	F.P.	—	17½	12	✠Booth (Charles) 5p	17½	+½	—	—	—	—
§100	F.P.	22.4	105	100	Br. Kidney Pat. As.	105	...	—	—	—	—
§74	F.P.	21.1	158	103	✠Canvermoor	128	−5	b3.64	2.0	4.1	14.5
§150	F.P.	14.1	215	155	✠Memory Comp Ir10p	210	+5	bQ28.8%	5.8	1.1	22.9
§190	F.P.	4.3	388	325	✠Microgen	325	−5	b4.0	2.9	1.8	26.8
§155	F.P.	7.1	255	200	✠Munford & White	227	−16	b2.6	2.4	1.6	35.9
§93	F.P.	4.2	198	145	✠Resource Tech. 10p	169	−1	—	—	—	32.5
[illegible]	F.P.	—	110	100	✠Sinclair (Wm.)	100	...	†4.25	1.0	6.1	24.2
[illegible]	F.P.	—	105	90	Do. Defd.	90	...	—	—	—	—
120	F.P.	—	125	100	✠Swindon Priv Hos £1	103	+3	—	—	—	—
§101½	F.P.	—	78	16	✠Tops Estates 10p	66	−1	—	—	—	—
§150	F.P.	18.2	340	265	✠WightCollinsR.S10p	304	−1	bd2.75	3.3	1.3	33.9
—	F.P.	3.3	25	21	Yorks & Lancs. W'rrnts	21	...	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
¶¶	F.P.	—	97	88	Anglo-Nordic 10% Cnv. Uns. Ln. 1989	97	...
97.504	£25	4.3	29½	15¾	BOC 12¼% Uns. Ln. 2012-17	20¾	+1
99.431	£20	10.4	21⅞	12	Birmingham 11½% Red. 2012	15	+1¼
¶	£10	24.3	11¼	11	East Surrey Water 7% Red. Pref. 1988	11	
¶¶	F.P.	—	130	86	European Inv. Bk. 11% Ln. 2002	91	+1½
¶	£10	—	10	10	Mid Sussex Water 7% Red. Pref. '88-90	10	
—	—	—	100⅛	99	Nationwide Bdg. Soc. 11⅝% Bds. 28/1/84	100⅛	..
—	—	—	100¼	100	Do. 11⅞% Bds. 13/2/84	100¼	
§97.174	£25	6.5	25½	22	Pearson (S) 13% Uns. Ln. 2007	25½	+¼
96.55	£25	8.7	28	25½	Sweden 13⅝% Ln. Stk. 2010	28	+1¼
¶¶	F.P.	18.2	92	85	Transcont. 9% Cnv.Ret.Uns.Ln.Nts.1993	92	..

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
250	Nil	26.2	28.4	45pm	23pm	AGB Research 10p	45pm	+2
26	F.P.	28.1	18.2	370	94	Arlen Elec.	360	−3
8½	Nil	—	—	13pm	11pm	Audiotronic 2½p	11pm	−½
90	F.P.	28.1	18.2	127	108	Bellway	126	
50	F.P.	8.2	9.3	56	45	Cluff Oil 'B'	50	+3
73	Nil	—	—	17pm	12½pm	Dominion Int. 20p	15pm	−2
90	Nil	21.2	7.4	54pm	40pm	Grosvenor Group	44pm	+1
60	F.P.	14.1	11.2	79	65	ICL	78	−1
46	F.P.	14.2	11.3	60	51	LCP	60	...
27	Nil	21.7	7.4	6pm	5pm	Mount Charlotte 10p	6pm	+½
98	F.P.	7.2	21.3	122	106	NSS News 10p	120	
80cts	Nil	—	—	2½pm	2½pm	Rand Lon. Corp. 15cts	2pm	−½
58	F.P.	3.2	29.4	69	61	Stakis 10p	69	
400	Nil	—	—	87pm	85pm	Ultramar	90pm	+5
470	F.P.	11.1	11.2	620	523	Wolseley-Hughes	620	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ☐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

MINING

Renison sells uranium prospect

AUSTRALIA's Renison Goldfields Consolidated (RGC), part of the *Consolidated Gold Fields group*, has raised almost A$10m (£6.9m) through the sale to an unidentified buyer of its stake in Pancontinental Mining, the Jabiluka uranium hopeful.

The 4.98m shares were sold outside the stock exchange at a price of A$2 per share, equal to 126p at current exchange rates. This compares with yesterday's closing level in London of 110p.

The move is clearly a continuation of the tidying-up process which saw Gold Fields restructure all its Australian *interests into one company*, RGC.

Two Vancouver-based junior exploration companies, Global Energy and Trojan Energy, are starting a programme of diamond drilling on a gold prospect adjoining the northwest boundary of the Detour Lake mine in north-western Ontario. Ownership of Detour Lake is split equally between Campbell Red Lake Mines and Amoco Canada Petroleum, the local arm of Standard Oil of Indiana.

Two other companies, Newmont Mines, a wholly-owned subsidiary of Newmont Mining of the U.S., and Westmin Resources, part of the Brascan group, are also reported to be involved in exploration in the same general areas.

Canada's Falconbridge expects to continue to sustain losses until industrial activity picks up sufficiently *to stimulate demand* and prices for its primary metals. The company is the second biggest producer of nickel in the western world behind Inco.

Falconbridge has not yet disclosed the prices it realised for its metals during the fourth quarter of 1982, but said prices fell sharply from the third quarter levels of around US$2.50 per pound.

The Canadian coal producer McIntyre Mines has reported a net loss for 1982 of a record C$74.5m (£40m) compared with a loss last time of C$9.7m.

The result reflects an operating loss of C$42.7m on the company's Albera coal operations and a deficit of C$31.8m from associates, mainly Falconbridge, in which McIntyre has a stake of 37 per cent.

Volume sales of coal fell by 37 per cent, with the decline being largely attributable to a weakening in world demand for metallurgical coal.

A number of operating problems at Scottie Gold Mines, the small but high-grade producer in northern British Columbia, resulted in a net loss of C$9.2m (£5m) for the 12 months to September 30, 1982, the first full year of operation.

Since then, however, a "permanent turnround" has been achieved, according to Mr Donald McLeod, *president*.

He predicts that output this year will more than double to around 50,000 ounces. Current ore reserves are put at 175,000 tons, grading an average of 0.75 oz (23 grammes) of gold per ton.

Indonesia's state-owned mining company PN Aneka Tambang *incurred a loss of 3bn rupiahs (£2.8m)* last year as a result of the depressed state of mineral prices on world markets, according to news agency reports.

The company expects to double its deficit this year.

Philex plans to expand

PHILEX Mining, which produces copper, gold and silver in the Philippines, plans to expand its daily milling capacity from 28,000 tonnes of ore to 38,000 tonnes over the next three years.

The expansion will require further exploration work, and the company hopes to double its reserves to 400m tonnes. This would extend the lives of the Philex mines, which produce from the richest ores in the islands, by perhaps 25 years.

Rutile groups lower payouts

CONSOLIDATED Rutile and Cudgen RZ, two Australian producers of beach sand minerals owned by South Africa's General Mining Union Corporation (Gencor) group, have reduced their interim dividends after reporting lower earnings for the six months to December 31.

Lower sales volumes and *prices for rutile were responsible* for the poor performance, offsetting improved sales and prices for zircon.

Cons Rutile, which operates offshore Brisbane, saw net profits fall to A$2.08m from A$3.17m, and cut its dividend to 9 cents from 12 cents, while Cudgen's net profits fell by almost half to A$779,000. It will pay an interim of 2.5 cents against 4 cents.

Dome sells Denison Mines stake for C$54.5m

BY JOHN SOGANICH IN TORONTO

CANADA'S Dome Mines and its two gold mining subsidiaries have made a good capital gain on their *C$54.5m sale of the 10.1 per cent interest* in Denison Mines to Canadian financial institutions.

The 1.84m shares were sold for C$29.51 each. Dome held 50 per cent, Campbell Red Lake 40 per cent and Sigma Mines (Quebec) 10 per cent.

Dome purchased the shares in March 1978 at C$17.10 a share from Madison Fund, a New York-based closed-end investment fund.

The proceeds will be used by Dome to repay bank loans and replenish working capital. Campbell and Sigma have no debt so the sale will provide them with a useful in*fusion of cash.*

The primarily base metal-producing companies, however, have a greater urgency to raise cash. Among them Sherritt Gordon is filing a preliminary prospectus for C$50m issue of common stock.

The U.S. Newmont Mining is to maintain its 39.8 per cent interest in Sherritt by buying the requisite additional Sherritt shares. The price and terms of the issue have yet to be disclosed.

Chino to use Inco smelting technology

BY GEORGE MILLING-STANLEY

CANADA's loss-making Inco, the world's leading producer of nickel, has licensed its oxygen flash smelting technology for copper to Chino Mines of Hurley, New Mexico. Chino is two-thirds owned by Kennecott Copper, itself a subsidiary of British Petroleum, and one-third by Japan's Mitsubishi.

The Chino project should be completed by early 1985, and will increase the facility's smelting capacity from 300,000 tons of copper concentrate a year to 500,000 tons. No details of the licensing agreement have been made public.

Chino is the second biggest copper producer after Asarco to install the Inco technology.

In a separate development, Inco has agreed with Queenston Gold Mines to develop an open-pit gold mine near Dobie, 10 miles east of Kirkland Lake, Ontario. The mine *will* be called the McBean Mine.

Inco plans to rehabilitate the Upper Canada mill, one mile to the north of the mine, with a processing capacity of 500 tons of ore per day.

The project may take some time to bring into production, as government approval still has to be obtained.

Israel loses its edge

THE Israeli diamond cutting and polishing industry is worried that it *has lost its competitive edge* because of the sharp increase in wage costs in the past year, when the devaluation of the shekel was kept below the rate of inflation.

As a result current *wages* in Israel, including social and fringe benefits, are about 30 per cent above those in the Belgian diamond cutting plants.

The Israeli industry is already operating below capacity in terms both of production and exports, even taking into consideration the world recession. The number of production workers is about 7,500, less than half the number employed several years ago.

Observers point out that while the Israeli diamond industry does not have a home market to fall back on, it is given less support from the authorities than other industries.

Zimbabwe asbestos group's lay-offs

By Tony Hawkins in Harare

THE DECLINE in mining activity in Zimbabwe continues with news of an approach by African Associated Mines (AAM), the country's largest asbestos producer, to the Ministry of Labour for permission to lay *off an undisclosed number of workers.*

The company, a subsidiary of Turner and Newall of the UK, said it has built up large stocks owing to the prolonged worldwide recession and the extremely depressed state of the asbestos market.

Stocks are reported to be at levels where they can no longer be financed, *and accordingly AAM* wants to reduce production and staffing at its older facilities, while the newer plants will be maintained at present rates.

AAM could give no details of the likely number of redundancies, but said the lay-offs were necessary to protect the company's viability, and thus the jobs of the majority of the labour force.

Asbestos is Zimbabwe's second most important mineral product after gold, with output worth Z$91.3m (£62m) in 1981. The material ranks fourth in exports behind tobacco, gold and ferrochrome.

Trans-Natal reports fall in fourth quarter

THE South African Gencor group's Trans-Natal Coal reports a fall in fourth quarter net income to R9.12m from R13.21m in the previous three months. This is a result of reduced export sales and lower prices aggravated by declining demand in the local market.

The total of R22.33m for the first *half of the current year to June 30* compares with R31.84m for the same period in 1981. Trans-Natal says there is likely to be a slight improvement in income from export *sales in this quarter.*

UK COMPANY NEWS

New travel cheque agreement for Cook

By Rosemary Burr

THOMAS COOK, the travellers cheque and travel subsidiary of Midland Bank, is to become the first European travellers cheque issuing member of Mastercard International, the worldwide personal payments organisation which is involved in the Access credit card operation in the UK.

The move is designed to increase Thomas Cook's share of the key American market. About half of all travellers cheques issued are denominated in dollars.

Thomas Cook recently lost its contract with the Automobile Association of America, which was worth about £426m ($651m) a year in U.S. travellers cheque sales. The contract accounted for a major portion of Thomas Cook's U.S. travellers cheque business.

The company's worldwide travellers cheque sales are about $5bn, of which about $1.2bn comes from the U.S.

Thomas Cook will now become the largest Mastercard travellers cheque issuer.

Mr John Brooks, deputy group chief executive of Midland Bank and a director of Thomas Cook, said: "We see considerable opportunities to develop our established travellers cheque business within the framework of membership of Mastercard."

The company hopes its association with Mastercard will generate more sales of travellers cheques in various currencies and higher fee income through the clearing of other issuer's travellers cheques outside the U.S.

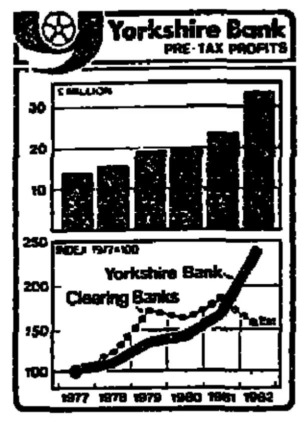
YORKSHIRE CONTINUES TO OUTPERFORM ITS RIVALS

A bank that sticks to its roots

BY WILLIAM HALL, BANKING CORRESPONDENT

"TAKE CARE of the pence and the pounds will take care of themselves" is the sort of advice which has stood the Leeds-based Yorkshire Bank in good stead over the years.

Yesterday it started the 1982 bank results season by announcing a 44 per cent increase in its pre-tax profits to £33.7m ($52m) and a 22 per cent increase in its dividend. Given that its 205 branches are concentrated in some of the most economically depressed parts of the UK and it cannot rely, like its clearing bank parents, on overseas profits to boost its earnings, Yorkshire Bank's 1982 performance is no mean feat.



The result is helped by a £6.9m profit on gilt sales (against a £1.4m loss in 1981), but the performance is still impressive, especially since it follows several years when the Yorkshire Bank has outperformed its smaller rivals.

The nearest in size is the Manchester-based Co-operative Bank, which in its last financial year to January 1982 made pre-tax profits of £3.6m and is unlikely to have done much better in its latest financial year.

Williams & Glyn's is another bank with its roots firmly in the North. Mainly because of its international operations, its balance sheet is four times the size of the Yorkshire Bank, but its return on assets is two-thirds lower.

The Yorkshire Bank started life as a penny savings bank set up by wealthy Yorkshire philanthropists in 1859, and although it now operates as a fully-fledged commercial bank (after being bailed out by the Midland Bank in 1911), its roots are still in the local communities of the North and Midlands.

It has never sought the status of joining the bankers' clearing house. Other banks might argue that its branch network is too concentrated in the poorer parts of the country but the Yorkshire Bank sees this as an advantage since these are the areas least well served by the big banks.

Mr Graham Sutherland, general manager of the Yorkshire Bank, says that the bank's philosophy is to keep things simple. The bank is a purely domestic institution. "We have never heard of Brazil or Mexico," he jokes.

The bank has stood apart from others which have invaded the home loan market, and sees little point in opening its branches on Saturday mornings when it has nearly finished installing the densest cash dispenser network in the country. One in two of its branches boasts the new hardware.

It admits it is not always the cheapest bank in the market place but says its speed of decision making, unencumbered by regional head offices, is often more important in clients' eyes.

The bank's success to date is reflected in the fact that it has not had to call on its shareholders for extra funds for many decades.

Last year, the bank increased its net interest income by 11 per cent to £75.1m and other operating income by almost a third to £13.8m. Its bad debt charges rose by just over a third to £7.3m but this was in large part due to the general increase in the balance sheet, which was up a quarter at £1.07bn.

The bank admits that falling interest rates boosted its performance, given its relatively-sizeable book of fixed rate lending. Nonetheless, new lending was buoyant, with total advances rising 30 per cent to £745m and instalment lending rising £35m to £191m.

The bank is particularly proud of its success in the area of free banking for customers who keep their accounts in credit. Over the last year it has picked up 133,000 new accounts – an increase of 48 per cent

The growth in the bank's balance sheet means that for the first time it is fully lent and has been raising funds in the wholesale money markets (£130m) to fund the expansion of its book. Nonetheless, the bulk of its funds still come from savings accounts (£500m) and current accounts (£275m).

As interest rates fall several banks offering free banking are wondering how much longer they can continue to do so without damaging their profitability unduly. But Yorkshire Bank promises to continue to pursue this policy as long as anybody.

Press Tools warns of falling orders

BY OUR FINANCIAL STAFF

WITH the order position for turned parts and vehicle accessories improving substantially in the first month or so of the current financial year, there was a "swift and acceptable" improvement in turnover and profits at Press Tools.

But, say the directors, this resurgence has just as quickly fizzled out, in spite of the most determined efforts to keep up the momentum.

Pre-tax profits improved from £70,000 to £128,000 in the six months to October 31, 1982, and sales of this West Midlands company rose from £1.15m to £1.49m. The interim dividend is unchanged at 0.8p net last year's total was 2p from pre-tax profits of £181,006 (£215,104).

First-half trading profits moved ahead from £26,000 to £95,000, and the pre-tax figure was struck after interest and other income totalling £33,000 compared with £44,000. Tax this time took £65,000.

Press tools and Walker-Sholto (grinding specialists) have struggled to keep a break-even during the half, say the directors, and

■ PRESS TOOLS

Machine tool and car parts manufacturing

Half-year to Oct 31	1982	1981
	£	£
Sales	1.49m	1.15m
Pre-tax profit	128,000	70,000
Tax	65,000	–
Attributable profit	–	–
Earnings per share	–	–
Dividend	0.8p	0.8p

this was achieved only by certain diversification into very specialised production, the continuity of which cannot be guaranteed.

Overall, the board looks for an improvement on last year's results, but it will be very nominal since a marked fall in supplementary income is inevitable, in view of the lower interest rates now prevailing.

For the longer term, the directors cannot yet see grounds for optimism. However, the company has improved its facilities and plant.

Donald MacPherson back in the black

BY OUR FINANCIAL STAFF

THE Donald MacPherson Group of paintmakers has achieved a recovery. It has wiped out the loss incurred at the half year stage and turned it into a profit before tax of £1.35m for the 53 weeks ended October 31 1982, against £2.87m previously. The dividend is held at 4.2p with a final of 2.7p.

This year there were no exchange profits and interest charges have effectively doubled as gearing has increased from 36 to 58 per cent. The higher interest charges are primarily due to the cost of new acquisitions which have yet to realise their full potential.

In the year, sales passed the £100m mark for the first time culminating in a 14 per cent increase over 1981 at £103.5m reports the chairman, Mr Rex Chester. Of the rise some 9 per cent was accounted for by new acquisitions. In general the company believes market shares to have been fully maintained. Overall volume, excluding new acquisitions, has remained broadly static in line with the continuing recession.

■ DONALD MACPHERSON GROUP

Manufacture of paint and other surface coatings

Year to Oct 31	1982	1981
	£	£
Sales	103.46m	90.31m
Pre-tax profit	1.35m	2.87m
Tax	746,000	1.33m
Attributable profit	440,000	854,000
Earnings per share	3p	7.5p
Dividend	4.2p	4.2p

Trading profits in the UK improved from £2.41m to £2.59m, reflecting a steady performance in the trade and retail division. On the industrial side both the industrial and Unerman divisions have done well to remain in profit despite operating in markets that have contracted by as much as one-third in the last three years, the chairman states.

The cost of dividends comes to £761,000, and leaves a shortfall of £321,000 to be met from reserves.

FT COMMERCIAL LAW REPORTS

Merger not prejudicial to shareholders' interests

IN RE CARRINGTON VIYELLA PLC
Chancery Division: Mr Justice Vinelott: February 3 1983

WHERE a company gives an undertaking to the Government that it will not hold more than a specified proportion of shares in another company, the undertaking does not affect the rights of shareholders of that other company inter se and accordingly its breach does not entitle a shareholder to assert that that company's affairs are being conducted in a manner unfairly prejudicial to his interests.

Mr Justice Vinelott so held when striking out as vexatious a petition by which the petitioner, Hopespeed Ltd, a shareholder of Carrington Viyella PLC (CV) claimed relief on behalf of Mr Joe Hyman, against CV and Imperial Chemical Industries PLC (ICI), on the ground that CV's affairs were being conducted in a manner prejudicial to shareholders.

Section 75 of the Companies Act 1980 provides: "(1) Any member of a company may apply *to the court by petition for an* order . . . on the ground that the affairs of the company are . . . being conducted in a manner which is unfairly prejudicial to the interests of some part of the members. . . (4) . . . an order under this section may—(a) regulate the conduct of the company's affairs in the future."

* * *

HIS LORDSHIP said that towards the end of 1969 ICI intended bidding for the whole of the issued share capital of Viyella International Ltd, with a view to merging it with Carrington and Dewhurst Ltd.

The Paymaster-General announced that the proposed bid would be allowed to go ahead without reference to the Monopolies Commission, subject to ICI's giving certain undertakings.

ICI undertook to reduce its shareholding in the merged company to not more than 35 per cent as soon as practicable, and if it had not done so within 12 months, to exercise no more than 35 per cent of the votes.

ICI's shareholding in Carrington Viyella, the merged company, was 49.36 per cent. It was not reduced to 35 per cent.

By a circular dated October 20, 1982 the chairman of CV recommended acceptance by shareholders of an offer by Vantona Group PLC to merge with CV. The circular stated that ICI had irrevocably undertaken to accept the offer and to vote in favour of certain resolutions on which it was conditional.

On November 29 Hopespeed Ltd, a company which owned one ordinary share in CV, presented a petition on behalf of Mr Joe Hyman, who until 1970, was chairman and managing director *of Viyella*.

It claimed a declaration that ICI was bound by the undertaking not to own more than 35 per cent of the shares, and an order that it should not vote more than 35 per cent on the merger proposals.

Since the petition was presented, *Mr Hyman had become* the registered holder of 4.5m shares in CV. He applied to be joined as petitioner. His application was unopposed.

*

Vantona's offer was conditional on 90 per cent acceptances being received before January 19 1983, *or such later date or lower* percentage as Vantona might agree; and on the passing of special resolutions at an extraordinary general meeting of CV.

That meeting was held on January 21. CV's chairman announced that the offer had been accepted in respect of 79 per cent of the ordinary shares of CV. The resolutions were passed by a show of hands, no poll being demanded, so that ICI did not need to exercise its full voting strength.

At noon on February 2 acceptances stood at 86.5 per cent. Vantona extended the time for acceptance to February 9. Under the Takeover Code the offer could not be declared unconditional after that date.

CV and ICI sought an order that the petition be struck out as an abuse of the process of the court.

Mr Wright, for the petitioners, accepted that the undertakings had been given to the Government, and that they could be released, waived or modified by the Government; but he submitted that they played a part in the conduct of CV's affairs and that shareholders had acquired their shares in CV on the footing that ICI would not vote more than 35 per cent without first obtaining their release, modification or waiver.

He submitted that the *petitioners were entitled to trial* of an issue whether CV's affairs had been conducted in a manner unfairly prejudicial to its members, other than ICI, and whether the court had jurisdiction under section 75(4)(a) of the Companies Act 1980, to make an order declaring that ICI was not entitled to vote more than 35 per cent without first obtaining the consent of the Government.

Section 75 conferred a new and valuable means by which a minority shareholder could challenge the conduct of the affairs of a company; but however wide its scope might be, the facts alleged in the petition and the evidence came nowhere near *establishing a claim for relief*.

There were two insuperable difficulties. First, there was no justification for the claim that because undertakings obtained by the Government in the public interest might have influenced *potential* shareholders in CV, the shareholders were entitled to prevent ICI from voting its full strength without first approaching the Government.

So far as a potential investor paid regard to the undertakings, he would have regard to the fact that they might be enforced if the public interest so required—which might not coincide with CV's commercial interests. In so doing, he could not be treating the undertakings as part of the constitution of CV or as in any way affecting the rights of shareholders *inter se*.

*

Secondly, if the offer became unconditional, ICI would no longer be a shareholder, and the undertakings would cease to have any effect.

There was nothing in the petition or the evidence to support the claim that ICI had behaved improperly in the past in relation to the undertakings. Nor was there any ground for fear that it might do so in the future if the offer did not become unconditional.

On that ground alone the claim for a declaration was unfounded and vexatious.

The petitioners sought amendment of the petition, on the ground *inter alia* that a service agreement between CV and its chairman was not entered into in the interests of CV, but in order to protect the chairman's *position in the merger*.

*

There was nothing to support that allegation. If there had been any breach of duty to CV, it would affect all shareholders equally. To succeed in a petition under section 75 petitioners had to show conduct which was unfairly prejudicial to "part" of the shareholders.

Amendment was also sought on the ground that the service agreement was not put to the company in general meeting, as required by section 47 of the Act. Mr Wright submitted that the right of each shareholder to vote its approval had been infringed, and that the petitioners were entitled to a declaration that the agreement was void.

That submission was not by itself a ground for founding a petition under section 75. A petitioner must show not simply that his rights as a shareholder had been infringed, but that the affairs of the company had been conducted in a way unfairly prejudicial to some part of the members.

Even on a liberal reading of the petition and the evidence, and on the widest possible construction of section 75, the petition fell far short of establishing that the affairs of CV had been conducted in a way unfairly prejudicial to members other than ICI.

It would be wrong to allow the amendments to be made and the petition itself must be struck out as vexatious.

For petitioners: Robert Wright QC and John Cone (Needham and Grant).

For Carrington Viyella: Allan Heyman QC and Mary Arden (Allen and Overy).

For ICI: T. L. G. Cullen QC and W. A. Blackburne (V. O. White).

William Stubbs QC and L. G. Kosmin on watching brief.

By Rachel Davies
Barrister

UK COMPANY NEWS

BR looks at bids for 21 hotels

By Hazel Duffy, Transport Correspondent

CONSIDERATION of the bids for the 21 British Transport hotels offered for sale by British Rail will take place over the next two weeks.

The offer for sale, which closed on Monday, attracted "some interest," according to a spokesman for Morgan Grenfell, which is advising British Rail Investment (BRIL) on the disposal.

The offers include some for groups of hotels, with certain hotels inevitably overlapping between the offers. The task of BRIL and Morgan Grenfell will be to decide which of the various offers satisfy the criteria of preference set out in the offer document and will also yield the best price for BR.

Preference will be given to offers for eight or more hotels, and to those bidders who are prepared to take on some of the BTH head office staff. The staff in the hotels will be transferred to the successful bidders, but no such protection was given to head office staff.

The sale of the hotels, which include some desirable resort hotels and several city centre hotels, is taking place as part of the Government's privatisation plans. The offer for sale deliberately refrained from putting an asset value on the hotels in order to test the market, but BR hopes to yield at least £40m from the sale.

Together with sales of surplus property, the hotels are the prime BR assets which are capable of being turned into cash.

The next major BR sale is intended to be Sealink, but this will not take place until the company shows some signs of returning to profitability.

RESULTS IN BRIEF

■ BROADSTONE
Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	1.72m	1.85m
Tax	609,485	590,728
Dividend	7.85p	7.45p
NAV per share	340.9p	283.7p

■ DENTLAND
Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	1.91m	1.78m
Tax	678,000	650,600
Dividend	6.85p	6.35p
NAV per share	269.3p	212p

■ DRAKE & SCULL HOLDINGS
Electrical, mechanical and general engineering

Year to Oct 31	1982	1981
	£	£
Sales	117.13m	115.31m
Pre-tax profit	4.1m	3.8m
Tax	1.74m	1.36m
Attributable profit	2.07m	1 57m
Earnings per share	10.3p	7.5p
Dividend	3.25p	3p

■ FASHION & GENERAL
Investment Trust

Half year to Sept 30	1982	1981
	£	£
Pre-tax revenue	196,487	218,449
Tax	88,591	105,539
Dividend	–	–
NAV per share	353.8p	342p

■ GLASGOW STOCKHOLDERS
Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	1.41m	1.38m
Tax	304,000	327,000
Dividend	2.5p	2.35p
NAV per share	123.1p	102.9p

■ MANCHESTER SHIP CANAL
Operation of Manchester port and associated businesses

Year to Dec 31	1982	1981
	£	£
Sales	23.81m	22.88m
Pre-tax profit *	963,000	2.42m
Tax	178,000	6,000†
Attributable profit	–	–
Earnings per share *	34p	64.4p
Dividend	3.5p	–

* *Loss* † credit

■ MELDRUM
Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	1.21m	1.06m
Tax	413,000	348,000
Dividend	3.75p	3.45p
NAV per share	118p	98 4p

Pensions survey

● The Pensions for Individuals' survey published on January 29 carried a table of net relevant income that *can be applied to* personal pensions. However the list omitted some changes made in the 1982 Finance Act. The corrected table is as follows:

year of birth	percentage
1934 or after	17½
1916-1933	20
1914-1915	21
1912-1913	24
1910-1911	26½
1908-1909	29½
1907	32½

APPOINTMENTS

Theobald to supervise Timothy Whites transfer

THE BOOTS COMPANY has re-al*located responsiblities for two of its* main board directors in the retail division. Mr **K Ackroyd** becomes managing director of Boots The Chemists and **Mr B H C Theobald** is now responsible for retail development in the UK and overseas. Mr Theobald will also supervise the *transfer of the Timothy Whites* business to Boots stores.

● **Mr Raymond Bloch** has been appointed a director of BP CHEMICALS. Based in London, he will be responsible for the BP Chemicals range of performance and speciality products and the commercial de*partment. He will also have region*al responsibility for North Africa and the Middle East. Mr Bloch is currently director, oil supply and logistics for S.F. BP in Paris.

Mr Paul Tjepkema, the director *formerly responsible for perfor*mance and speciality products and commercial department, has resigned to pursue a career elsewhere.

● **Mr T O Thwaites** has been appointed managing director of RETAIL VENTURES – a new company to be established within the framework of Grand Metropolitan consumer services. He was formerly managing director of Chef and Brewer, where he is succeeded by ***Mr P A Fitz-Simmons.*** Mr Fitz-Simmons was formerly finance and business development director, Grand Metropolitan Brewing, consumer services and leisure.

● **Mr Allan Munro**, responsible for the centralised dealing and the management of gilt edged and *South African equity portfolios ma*naged by IVORY & SIME, has been appointed an assistant director.

● **Mr E J R Thomas** has ceased to be managing director at C F Taylor (Metalworkers) and becomes managing director at FRANCIS SHAW from February 21. **Mr M K Wood** is *appointed director and general* manager at C F Taylor (Metalworkers), while the sales and technical departments will be combined and **Mr J Wilson** becomes technical sales director, both from February 21.

● **Mr A D Househam**, a director of *Ofrex Group and Gallaher*, has been elected executive chairman of OFREX GROUP, following the resignation of Mr A G Andrew for personal reasons. Ofrex is a wholly-owned subsidiary of Gallaher.

● Under the re-organisation of the membership services division BRITISH ROAD SERVICES, a new financial post has been created. Mr **Ray Combs** has been appointed head of finance, *responsible for the* financial adminstration of all services offered by the division including the communications centre, AA-BRS Rescue, BRS Transcard, and Prestel Datafreight. He was management accountant with Cotrali-Pickfords, a sister company in the National Freight Consortium.

● **Mr David Hay** has been appointed general manager of the advanced projects group at PHILIPS BUSINESS SYSTEMS, UK electronic office systems arm of Philips International.

● **Mr Richard E Partnoy** will join CREDIT SUISSE FIRST BOSTON on March 1 as head of administration replacing Mr Jacques Pittner, who is returning to Zug. Mr Portnoy will be nominated for election as executive director at the next Credit Suisse First Boston board meeting and he will replace Mr Pittner on the operating committee. Mr Portnoy is a vice-president of Chase Manhattan Bank.

● **Mr Stephen E Lotharius** has been promoted to marketing director-Europe for the international group of McCORMICK AND COMPANY. He *will be based in London*, and was marketing manager.

Winding-up petition adjourned

By Raymond Hughes, Law Courts Correspondent

THE BANK of England's petition for the compulsory winding-up of Goodwin Squires Securities, which was removed from the Bank's list of licensed deposit-takers last October, was adjourned for 28 days in the High Court yesterday.

Mr William Blair, for Goodwin Squires, told Mr Justice Vinelott in the Companies Court that an adjournment would enable the company to put in evidence that would remove both the grounds on which the Bank sought to have the company wound up.

The Bank's petition was brought under s.18 of the 1979 Banking Act, which provided for winding-up if the company could not meet calls on deposits or was insolvent.

Mr Blair said that, although there were unpaid depositors, Goodwin Squires was solvent, having, in particular, a substantial unencumbered freehold property.

The company believed that the two unpaid depositors, totalling about £120,000, would be prepared to convert their deposits into shares in the company.

An adjournment would enable Goodwin Squires' managing director to examine the company's books

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Merrill Halpern (left) and Al Schechter: making profits from a packaging partnership

Where a partnership can magnify profit potential

Charterhouse has had some striking results with management buy-outs of mature companies in the U.S. Nicholas Leslie reports

A TWENTY-FOLD increase on an investment within six years is good by any yardstick. A forty-fold appreciation in less than five is the sort of performance that only venture capitalists—or gamblers—might dream of.

The U.S. subsidiary of one of Britain's leading investment and banking groups pocketed a 5,400 per cent profit of $17m just over 18 months ago on an initial investment of $397,000 in, of all things, ice cream. Not for Charterhouse Group International, the New York offshoot of London-based Charterhouse Group, the tightrope walk of backing some new technology-based company so popular among the east and west coast venture capitalists of America. Instead, its strategy was to back a mature company in a mature industry, selling a product dear to almost every American's stomach.

Charterhouse Group International, known as Chusa, achieved such a performance by virtue of good fortune, certainly, but also by dint of an investment and management approach which enabled it to notch up another significant success—in pharmaceuticals packaging — which brought in a seventeen-fold profit totalling $7,763,000.

Dreyer's Grand Ice Cream, based in California, and Paco Pharmaceuticals of Lakewood, New Jersey, are the stars of a portfolio which has numbered only 11 investments in ten years. Five have been sold, generally at a good profit. A sausage products company has been the only failure, and Chusa maintains that it extricated itself from that venture without any significant loss.

Chusa's hefty gains are somewhat unusual given the maturity of the companies in which it generally invests and the rather cautious profile more usually associated with the Charterhouse Group as a whole. At least, that was the case until the parent company last year took the UK investment world by surprise by leading a move to acquire a controlling stake in the struggling UK end of the F W Woolworth retailing chain at a cost of £310m. That deal involved not only a buy-out of the company, but the infusion of top management (though the search for a new chief executive has been unfruitful and has been abandoned for the time being).

However, whereas UK buy-outs tend to involve a finance institution merely funding existing company management, Chusa has been fine-tuning a concept reminiscent of that applied with the Woolworth deal in the UK: funding, or arranging the funding for, the transfer of equity control, often taking a big interest itself and always involving an independent investment "partner" from outside Chusa and the company involved.

The outcome of this approach has been that Chusa's operating profit has grown at an average annual rate of almost 50 per cent, with revenue growth running at 30 per cent.

Merril Halpern, who set up Chusa in 1972, believes that by developing a small group of entrepreneurs who have already achieved success and realised their investment, but who wish to remain active, Chusa can fund a buy-out in the knowledge that its partner has the experience and commitment to force a strong "hands on" management link.

Halpern, an athletic 48-year-old with an MBA from Harvard Business School and over 25 years in the corporate finance field, says that Chusa is "financially and acquisitionally oriented and does not presume to be operational on a day-to-day basis. So we need an entrepreneur who works with us."

To this end, Chusa has, for example, found Alfred Schechter and Arthur Spiro to be investment partners in five of its current investments. Schechter, with a background in packaging as an independent entrepreneur, is Chusa's investment partner in Paco Pharmaceutical Services, a packaging company, and Joseph Kirschner Company, a branded sausage products manufacture. (Chusa's earlier unsuccessful foray into this business did not deter it from having another go.)

Spiro, having spent a lifetime largely in the textiles industry, has partnered Chusa in Carleton Woollen Mills, which produces fabric for a variety of clothing, furnishing and other uses; Perfect Fit Industries, a manufacturer of bedroom and household textile furnishings; and Golding Industries, a manufacturer of mattress ticking. Additionally, other key executives in these companies also hold shares.

The need for investment partners has been dictated partly because they provide Chusa with an expert link between itself and its investments. Also, though, a partner can fill any top management gap—as may be necessary, say, if the owner of a company retires after a buy-out.

Chusa's criterion that any buy-out should be in a mature industry is, in fact, familiar among institutions which fund this type of investment. As Halpern explains, the high gearing—the ratio of debt to equity—involved in buying out a company makes it essential that the acquired company is generating sufficient earnings to fund the debt involved.

But the need to repay borrowings must also be balanced against the need to put capital back into the business. "This directs us to companies that are not capital intensive and do not need huge investment to maintain their markets. We have done investments in capital intensive markets, but if you do so you must continue to invest so that you stay at the forefront of technology.

"So, basically, we are looking at companies that meet a conceptual profile; a long history of earnings, a good balance sheet and making products for mature markets." Halpern adds. Because such companies tend to have lower market ratings if they are publicly quoted the prices they command often equate to asset values, or even less, with price earnings ratios of around 7 to 8.

More than 200 propositions—identified through a whole network of contacts among financial institutions, bankers, lawyers, accountants and business brokers—are checked out each year. Visits are made to around 75 and serious discussions take place with around 25 before maybe a couple of investments will be made.

Though Chusa's latest investment— a 49.9 per cent stake in AC Manufacturing, a specialist heating and air conditioning equipment manufacturer (the remaining equity being owned by management and other investors)—is much in line with its traditional concept, it has nevertheless been widening its horizons. For one thing, says Halpern, "you have got to do other things because you can't grow just by buy-outs."

It is nevertheless clear that, to a degree, Chusa has little choice but to broaden its interests. While its successes do wonders for the parent company's results (particularly in 1981 when, largely as a result of the Paco and Dreyers share sales Charterhouse's group profits from development capital operations jumped from £3.95m to £13.1m) its capacity to invest is considerably enhanced. Yet, as happened in the U.S. in 1981 when inflation eased and interest rates rose, it becomes very much more difficult to finance buy-outs because a company's cash flow is unlikely to expand at an adequate rate to fund increasing debt costs.

So Chusa has been contemplating the possibilities of purchasing significant stakes in larger companies, where it could seek boardroom representation. Specifically, Charterhouse and Electra Investment Trust have joined together to form a new company, Mezzanine Capital Corporation, the principal function of which is to provide equity finance for large acquisitions in the U.S. market. Mezzanine Capital Corporation will be managed by Chusa, the investment advisor in the U.S., and capital funds of $300m will be sought from institutional investors in the UK, Europe, the Middle East and the Far East.

The record of management buy-outs generally in the U.S. has been good. It has become very big business and a large number have involved subsidiaries of big corporations, the impetus for such deals being that such subsidiaries no longer fit the main thrust of the group. And much larger buy-outs have been organised in the UK—some involving well over $300m.

The funds available are enormous; Prudential Assurance, for example, has invested over $1bn in buy-outs and, in common with many institutions, it sees buy-outs as one worthwhile option when it is deciding where to invest what last year amounted to around $6bn of new money.

The buy-out is also attractive for the smaller, family-owned firm of the type in which Chusa has specialised to date. It provides the means for the proprietor to realise an investment on which he will pay a maximum effective capital gain of some 20 per cent.

Most institutions funding buy-outs, particularly those involved in larger ones or a good many per year, aim for a return of up to 20 per cent a year. Halpern goes for more and to date has achieved it. But, as he acknowledges, "we are less volume oriented than others. It is only in that context that we can get very high rates of return."

Justified immodesty

"HOW OFTEN do I get a good idea? Oh, about twice a day: once before lunch and once after."

If Al Schechter sounds a little immodest in his claim he can afford to be. For, even though a faint smile accompanies this bold assertion reveals a wry sense of humour, Schechter has the confidence to indulge in a degree of exaggeration that goes with having enjoyed business success for a long time. Most recently he has been riding high on two extremely profitable investments, one being Dreyer's Grand Ice Cream and the other Paco Pharmaceutical Services where he is the "investment partner" with Charterhouse Group International.

Conventional wisdom has it that a bought-out company should continue to exploit its existing product and avoid any investment which might hit cash flow and hinder the company's ability to repay its debt in the short term.

Schechter, with a keen marketing eye and a lifetime in packaging, believed Paco could fare well by developing its own products, packaging systems and even packaging machinery. He has been proved right, but not without a bit of a scare along the way.

Paco's basic business is contract packaging of ethical drugs for the pharmaceutical industry (for this it requires Food and Drug Administration approval). It provides facilities for a whole range of companies—including majors like Johnson and Johnson, Burroughs Wellcome, and Merck—enabling them to iron out peaks in their own production, and test market new products without tying up their own production lines until demand warrants it.

After the buy-out of Paco in 1975, Schechter steered the company into a takeover in 1977 of Kolar Labs to diversify activities into cosmetics and pharmaceuticals formulation as well as packaging. It was not, however, a success.

Nevertheless, Schechter reckons the experience was not without its pluses and provided insight into the health care market and product manufacture. The company subsequently moved into these areas with growing success.

Because the pharmaceuticals industry is served by a host of contract packagers Schechter's strategy has been to broaden Paco's base in a way which gives it a measure of independence from its customers while at the same time providing those same customers with facilities and, equally important, packaging design ideas, new concepts of packaging and the machinery to do the job.

Last month the company reported earnings in the first quarter to November 20 1982, up 48 per cent to $744,000. In that period Paco took on considerably more work as a result of the Tylenol poisoning scare because it had tamper-proof packaging capacity.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

VAT purchases

In the course of the past 18 months I have converted an old police station into suites of offices. I have carried out much of the conversion work myself, and have purchased the materials on which I have been charged VAT. The local VAT office tells me that I cannot recover VAT on the materials purchased. This seems to conflict with the description of zero rating in leaflet No. 715 "Construction industry alterations and repairs and maintenance."

What is the procedure for appealing against this ruling? I am not VAT registered.

The local VAT office is correct. There is no way in which you can recover VAT on materials purchased. The zero rating rules described in the leaflet to which you refer apply to goods or services provided by VAT registered traders. If such a person performs services which include the alteration of a building and this alteration is not a work of repair or maintenance the services will be zero rated. Certain goods supplied in the course of such services will also be zero rated. If you purchase goods on your own account the VAT charged cannot be recovered even if those goods are used by a VAT registered trader to make alterations to your property.

Krugerrands

Six years ago I bought a quantity of Krugerrands, as a personal investment, declaring them as an acquisition for Capital Gains Tax purposes. I have not traded in them.

In the past year I have set up a trading enterprise and intend to transfer the coins into my trading stock. Will I be liable for CGT based on the current value at the date of transfer?

The appropriation of the Krugerrands to trading stock constitutes a deemed disposal for CGT purposes, under section 122(1) of the Capital Gains Tax Act 1979. However, if you wish, the potential chargeable gain can be negated, by deducting it from the opening valuation in your Case I computations, by virtue of sub-section 3.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

TECHNOLOGY

EDITED BY ALAN CANE

ENTREPRENEUR PLANS TO PUT OXFORD INTO COMMERCIAL HIGH TECHNOLOGY

Science Park amid dreaming spires?

BY PETA LEVI

WHAT IS the difference between the universities of Oxford and Cambridge? Well, apart from the fact that one sports light blue and the other dark, Cambridge has a science park and Oxford has not.

Now this may be changing. A new company, Science Parks Limited, has been launched in Oxford by businessman and entrepreneur Noel Hodson with the objective of creating a science park amid its dreaming spires.

It is the most important development in the Oxford high technology scene in the past two years, according to Mr Michael Day, the university's Industrial Liaison Officer.

Why has Oxford been so slow to follow its academic rival? The chief reasons are lack of suitable land . . . and the right developer.

Formulated

Neither the university nor any of its colleges own land comparable to Trinity College's 120-acre site five miles from Cambridge's centre. But after extensive discussion with the university and the planners, Hodson examined three sites. The front runner is one of 20 acres off the Woodstock Road, a mile from the main science laboratories. Science Parks' plans, formulated over the past three years, envisage about eight large users, tending towards research, with 50-100 start-up units. Discussions with the proposed property developer contemplate that with every large unit around 10 small units will be built. Rents for the small units will be about £6 per sq ft, to include various back-up services, including a manager who would help organise finance and University contacts.

Peter Robottom, the Deputy City Planning Officer, comments, "Science Parks' concept is exactly in tune with what City planners are trying to achieve; it would be a genuine science park, not a high quality industrial estate. If, as expected, the access problem is solved quickly, and the four joint site owners agree the sale, the first units could be ready in 18 months."

However, few people know about the City's new attitude. In the early 1970's full employment and a crowded city led to very restrictive planning policies. However, by 1978 the City were concerned by rising unemployment (today around 8 per cent, compared with 1½ per cent a decade ago) and by the Government being the major local employer. The City's changed attitude is spelt out in the new draft District Plan, which positively encourages new firms and proposes five industrial areas—three inner city, two outer. This District Plan, one of five currently held up by the County Council's refusal to certify them, awaits the Secretary of State's decision. Robottom says, "Oxford has potential to meet local unemployment needs and to foster Britain's high technology industry. I think that the DoI's views are that the County's restraint policies are totally misguided."

Few people realise the extent of Oxford's science involvement—the Government's British Technology Group (BTG) invest in more scientific and research projects in Oxford than at any other university, except Imperial College, London, and in 1980-81 Oxford had 4,640 (36.2 per cent) science students, compared with Cambridge's 5,760 (47.5 per cent). The university feels its staff should teach and do research, not become businessmen, but the attitude has changed in that the university now welcomes new firms with university links. Day says, "Education cuts have had one healthy effect, making the university more outward-looking and willing to co-operate with industry than ever before, apart from war-time; university departments think seriously about earning money, such as by selling their services to industry.

Oxford high technology industries' activities have not been properly identified. No-one knows how many firms there are, though 54 attended a recent local BTG meeting. As a result little concerted effort is made to help them, particularly with financing—incidentally now no problem in Cambridge. Hodson (also a business consultant who landed the Prudential's £4½m investment in the South Bank Techno-Park Scheme) says, "science parks will be vital in re-educating our banking system; until joint stock banks learn to lend high risk money, this country is completely blocked. The Big Four are frightened by BTG's 80 per cent failure rate. Banks still insist that the High Street manager takes the decision—and for 30 years most have been trained not to take risks."

Colin Sheppard, lecturer in the Department of Engineering Science, has formed Oxford Optoelectronics with two colleagues and needs to raise £½m. Over the past seven years they developed a new laser microscope with three advantages over the electron microscope; it is cheaper (£20,000), has superior resolution and does not kill living cells.

They can be observed (on a screen) growing and changing. BTG recently awarded them £20,000 which enabled them to sub-contract their first batch of microscopes, but they urgently need £100,000 to employ a salesman, obtain premises and start manufacturing. They want to develop a semi-automatic microscope (costing around £100,000), which would inspect silicon wafers for defects; known markets exist for it. They also envisage adding a computer, enabling cell images to be analysed and processed.

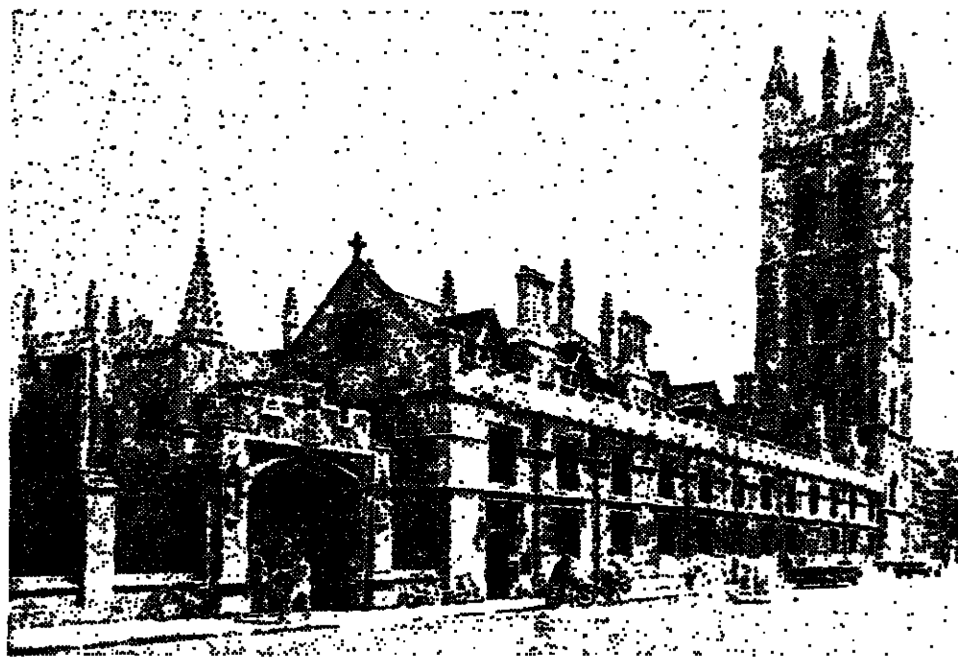
Another lecturer, Dr Brian Bellhouse, is also trying to raise £½m for a project which could eventually create 100 jobs—manufacturing the latest version of his vortex-mixing membrane oxygenator. Unable to find a British manufacturer, he had to license an American company, Johnson and Johnson. Bellhouse's oxygenator, a disposable artificial lung, is intended for use during open-heart operations, of which some 330,000 are performed worldwide annually. Bubble oxygenators currently consist of a blood reservoir, through which the patient's blood is pumped; the addition of oxygen forces carbon dioxide off and the oxygenated blood returns to the patient with damaged blood cells, frequently causing post-operative bleeding. Bellhouse's device uses a permeable membrane through which the oxygen diffuses, the vortex-mixing mechanism eliminating bubbles and damage.

Some companies have made their mark in Oxford. They include Oxford Instruments Group, started in 1959 by Martin Wood, who came out of the Clarendon Laboratory where he had made magnets. Today the Group (which includes five overseas subsidiaries) employs 680 people with a turnover of £17.6m, 70 per cent being exports. In the last five years their turnover has increased by 470 per cent; and profits for the last financial year were £2m. Their latest company, Oxford Magnet Technology Ltd, has the major share of the world market for very large super-conducting and resistive magnets for use in the next generation of diagnostic scanners.

Research Machines Ltd, started in 1973 by Michael Fischer, an Oxford physics graduate, and Michael O'Regan, a Cambridge economics graduate, has grown from 2 employees to 130 and a turnover of £8m. It is one of three authorised school micro producers.

Another company, Telecomputer Ltd, was set up by two people who worked at Blackwells and now produce software (TPS monitors) for ICL computers; they employ 80 people and have a turnover of £2m.

Crystalox 1982 Ltd, is a small company which is probably unique in that it designs and produces equipment for the purification of rare earth materials, specialising in crystal growing equipment. It is an association between Clarendon Laboratory Lecturer Dr David Hukin and two businessmen friends. They employ 10 people at Wantage and hope to have a turnover of £1m this year.



Magdalen College, Oxford—will a science park emerge among the dreaming spires?

The fully programmable ASEA robot in operation at the IMI Range factory Stalybridge, typifies the way in which the company is revolutionising the production of domestic hot water cylinders

IMI sees off coppersmiths

Robots move into the airing cupboard

THE WAY in which the familiar copper hot water cylinder in the airing cupboard is being manufactured is changing. The robot has come on the scene.

At IMI Range of Stalybridge, Cheshire, an ASEA unit is taking copper blanks, passing them through special metal spinning lathes and then stacking the finished cylinder bottoms ready for assembly at the rate of 150 per hour.

The robot's control computer is linked with the electronic controls of other machines, providing a flexible manufacturing system that is easily re-programmable to alternative sizes.

The second stage of the modernisation is about to start in which assembly will be automated, also with robots.

According to Mr Peter Roberts, the company's managing director, companies describing themselves as coppersmiths who are not adapting to the new technology "will soon disappear from the copper cylinder scene."

GEOFFREY CHARLISH

Telex terminal

Message processor

AN INTELLIGENT telex preparation terminal, the Delta IMP—integrated message processor—is offered by Delta Data Systems. It uses the Delta 2202 video display terminal from the company's recently-launched Delta 2000 series system.

The Delta IMPK allows telexes or messages to be prepared at VDUs so that special telex training is not needed. Improved throughput of messages is claimed, with better productivity resulting from automatic dialling and transmission. Prices start at £3,000. Delta Data is at Swallowfields, Welwyn Garden City, Herts (tel: 96 33833).

Hard disks

BMC at £3,600

A NEW hard disk version of the BMC if 800 computer with built in printer and full colour high resolution graphics is now available through Encotel Systems in Croydon.

Made by OKI, the machine costs about £3,600. It is equipped with a 10Mbyte Mitsubishi Winchester disk. A wide range of business software is available for the BMC *if 800 including word processing*, Super Calc, Colour BASIC and business graphics. More information is available on 01-686 9687.

Painting

High speed

A HIGH speed traverse paint spraying machine has been introduced by Mindon Engineering of Nottingham (0773 810034). It can be used on metals, plastics or timber. It is said to be ideal for spraying such components as panels for refrigerators, washing machines or structural steelwork.

Designed as a self-contained unit, the Mindon traverse will accommodate most manufacturers' spray guns including electrostatic and air static systems.

Microcomputers

Enhanced CMOS version

RCA HAS introduced an enhanced version of its CMOS 1802 microcomputer. The company says that this device features 5MHz operation and on-board random access memory (RAM) and read only memory (ROM).

Called the CDP1802AC, it can address up to 64k bytes of external memory and operates over the full military temperature range. More details are available on 09327 85511.

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FRANK BRANGWYN paintings, designs and etchings, at The Building Centre Gallery, Store Street, London, WC1. Ends Friday, February 18. Open Mon.-Fri. 10-5 pm.

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NOTICE IS HEREBY GIVEN to EDR holders of a free distribution of Ordinary Shares of Common Stock ("Shares") at the rate of one share per ten to holders on record January 31st 1983. If the holder of any Coupon No. 4 demonstrates to the satisfaction to the Depositary that they are the holder of ten Coupons No. 4 or multiples thereof, then upon presentation will be entitled to receive an EDR or EDRs in denominations of 1,000 shares. For any EDR holder of a lesser number of Coupon No. 4 upon presentation gratis shares would be sold and the net proceeds distributed in proportion to the EDR's entitlement.

ROBERT FLEMING & CO. LTD., Depositary.
February 16th 1983.

BARCLAYS BANK PLC

NOTICE IS HEREBY GIVEN that the REGISTER OF HOLDERS of Ordinary Stock of the Company will be closed from 1st April 1983 to 27th April 1983, both dates inclusive.

P.S. PERRY, Secretary.
54 Lombard Street,
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16th February 1983.

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We are pleased to confirm that copies of the Semi-Annual Report for the six months ended September 30th, 1982, of Mitsui & Co. Ltd., are now available to EDR holders upon application to the following sub-depositaries
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Brussels, Dusseldorf, London, Milan, Hong Kong, Paris.

CITIBANK N.A. London, Depositary.
February 16th, 1983.

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We are pleased to confirm that copies of the Business Report for the 35th period, year ended September 30th, 1982, of Fujitec Co. Ltd., are now available at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB and the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.

CITIBANK N.A. London, Depositary.
February 16th, 1983.

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IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF TAMBORFINE LIMITED T/A TISBURY RESOURCES

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above-named Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Tuesday, 1st March 1983 at 10.30 a.m. to be followed at 10.45 a.m. by a General Meeting of *the Creditors for the purpose of receiving* an account of the Liquidators' Acts and Dealings and of the conduct of the Winding-up to date.

Dated this 4th day of February 1983.
B MILLS.
VERNON G. MITCHELL,
Joint Liquidators.

MOTOR CARS

ANNOUNCEMENT

THE GOVERNORS of Queen Elizabeth's Foundation for the Disabled announce that Lord Holderness has been appointed President of the Foundation in succession to the late Mr Stanley Evans, CBE, FRCS.

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telex: (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Guiollettstr. 54. Telex: 416052. Telephone: 7598-157.

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Series		Mar. Vol.	Mar. Last	June Vol.	June Last	Sept. Vol.	Sept. Last	Stock
D FL C	F.265	1	3.50	1	7	—	—	F.264,85
D FL C	F.270	10	1,80	—	—	—	—	"
D FL C	F.285	—		10	1	—	—	"
D FL P	F.260	1	1,70	—	—	—	—	"
D FL P	F.270	—	—	1	13	20	19	"
		Feb.		May		Aug.		
GOLD C	$325	3	189	—	—	—	—	$509
GOLD C	$400	3	110	—	—	—	—	"
GOLD C	$425	74	85	8	100	—	—	"
GOLD C	$450	29	61	2	78	—	—	"
GOLD C	$475	163	32	17	60	1	77	"
GOLD C	$500	236	10	168	44	8	60	"
GOLD C	$550	262	0,40	196	22,90	4	37	"
GOLD P	$425	—	—	6	3	—	—	"
GOLD P	$450	—	—	90	4,50	—	—	"
GOLD P	$475	10	0,10	25	12 B	—	—	"
GOLD P	$500	26	3,50	45	23,90	2	31,50	"
GOLD P	$550	—	—	33	50 B	3	60,10	"
12¾ NL 81 87-91								
C	F.112,50	4	22	—	—	—	—	F.134,80
C	F.127,50	—	—	10	7,50	10	8	"
C	F.130	—		10	5,70	—	—	"
C	F.135	6	0,50	82	2,60	7	—	"
C	F.140	—	—	—	—	—	2,60	"
P	F.140	—	—	502	6	—	—	"
11½ NL 82 88 92								
C	F.107,50	310	8,50	—	—	—	—	F.116,80
C	F.110	—	-	5	6,90	—	—	"
C	F.115	—	—	—	—	10	3,50	"
C	F.117,50	50	0,30	—	—	—		"
10½ NL 82 86 89								
C	F.105	10	5,50	—	—	—	—	F.111
C	F.107,50	60	3,50	—	—	—	—	"
10 NL 82 II 86 89								
C	F.110	—	—	40	2,40	—	—	F.111,70
C	F.112,50	—	—	50	1,50	—	—	"
7¾ NL 82 89-93								
C	F.100	314	1,20	100	2,10	—	—	F.101,40
C	F.102,50	—	—	415	0,70	—	—	"
P	F.102,50	—	—	800	2,30	—	—	"
7½ NL 83 87-90								
C	F.100	—	—	1340	1,10	—	—	F.100,30
P	F.100	—	—	300	1	—	—	"
		April		July		Oct.		
ABN C	F.300	40	18,50	—	—	—	—	F.310
ABN P	F.300	36	8,30	—	—	—	—	"
AKZO C	F.27,50	46	17,50	—	—	—	—	F45,50
AKZO C	F.35	95	10,20 B	—	—	—	—	"
AKZO C	F.40	347	6,20	38	7,10 B	—	—	"
AKZO C	F.45	603	3,80	245	4,80 A	55	5,50 A	"
AKZO P	F.40	144	0,90	68	1,60 A	52	2,70	"
AKZO P	F.45	285	2	—	—	—	—	"
AMRO C	F.45	54	3	29	4	—	—	F.45,70
AMRO C	F.50	53	1,50	—	—	—	—	"
AMRO P	F.40	102	1,20	—	—	—	—	"
AMRO P	F.45	61	2,40	—	—	—	—	"
GIST C	F.140	35	12,80	—	—	—	—	F.146,70
HEIN C	F.110	100	8	—	—	—	—	F.112,80
HEIN C	F.120	—	—	28	6	—	—	"
HEIN P	F.110	200	4	—	—	—	—	"
HOOG C	F.15	104	3,40	—	—	—	—	F.18
HOOG C	F.17,50	215	1,80	57	2,70	106	2,90	"
HOOG P	F.17,50	—	—	—	—	30	1,70	"
KLM C	F.150	28	12,50	—	—	—	—	F.150,50
KLM C	F.160	53	7,50	—	—	—	—	"
NEDL C	F.100	195	4,80	—	—	—	—	F.97,50
NEDL C	F.130	33	0,50	—	—	—	—	"
NEDL P	F.100	36	6,40	—	—	—	—	"
NATN P	F.130	5	3,50	53	4,20	—	—	F.134,30
PHIL C	F.25	42	9,60	—	—	—	—	F.34,50
PHIL C	F.30	380	5	419	5	73	6	"
PHIL C	F.32,50	317	3,10	27	3,40	53	4,50	"
PHIL C	F.35	745	1,60	338	2,50	69	3,10	"
PHIL P	F.35	30	0,40	19	1	10	1,20	"
PHIL P	F.32,50	60	0,80	20	1,60	11	2,40	"
RD C	F.90	60	10,80	—	—	—	—	F.98,90
RD C	F.100	198	3,90	31	5	—	—	"
RD P	F.100	66	4,20	1	7,50	—	—	"
UNIL P	F.180	57	1,40	5	4,95 A	—	—	F.198,70
		Feb.		May		Aug.		
SIEM C	DM.220	65	51	65	51	—	—	DM.271

TOTAL VOLUME IN CONTRACTS 13,611

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP) 322	260	68	—	—	3	—	—
" "	280	48	—	—	4	—	—
" "	300	30	38	46	12	17	22
" "	330	10	20	26	28	34	48
" "	360	4	10	—	52	58	—
CGF (USP 569)	390	185	192	—	1½	2	—
" "	420	155	162	—	2	3	—
" "	460	115	122	—	4	10	—
" "	500	77	87	97	12	20	25
" "	550	43	52	67	27	38	44
" "	600	20	33	43	55	57	67
CTD (USP 88)	70	21	23	25	1½	2½	3½
" "	80	11½	16	18	2½	4	6
" "	90	6	9	11	6	8	9
CUA (USP 133)	120	16	18	—	3	4	—
" "	130	8	13	17	8	9	10
" "	140	4	7	13	16	18	19
" "	160	2	4	5	32	24	35
GEC (USP 212)	180	38	44	54	2	5	8
" "	197	24		—	5	—	—
" "	200	—	30	40	—	11	19
" "	217	12	—	—	13	—	—
" "	220	—	17	26	—	20	25
" "	237	4	—	—	28	—	—
" "	240	—	9	—	—	34	—
" "	260	2	5	—	50	50	—
GMH (USP 365)	240	126	—	—	1	—	—
" "	260	106	—	—	1	—	—
" "	280	86	90	—	1	3	—
" "	300	66	70	—	2	5	—
" "	330	39	46	52	6	8	13
" "	360	19	27	34	15	19	26
ICI (USP 396)	260	140	—	—	2	—	—
" "	280	120	—	—	2	—	—
" "	300	100	106	—	2	3	—
" "	330	70	76	—	4	5	—
" "	360	44	52	60	8	13	16
" "	390	22	36	44	20	26	30
" "	420	10	19	26	38	42	44
LS (USP 300)	260	43	48	54	2	5	8
" "	280	23	29	35	6	10	14
" "	300	12	19	26	15	19	22
" "	330	5	10	16	30	34	37
M & S (USP 205)	160	49	—	—	1½	—	—
" "	180	30	35	40	3	5	7
" "	200	16	23	29	7	12	17
" "	220	8	13	18	20	23	26
" "	240	3	6	—	38	40	—
SHL (USP 442)	390	54	60	66	3	8	10
" "	420	32	40	44	16	18	22
" "	460	9	16	22	34	38	40

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
BSL (USP 436)	350	—	—	—	¼	—	—
" "	360	78	82	90	1¼	4	8
" "	383	—	—	—	2½	—	—
" "	390	48	52	62	1	9	15
" "	420	18	28	40	1	22	32
" "	460	—	15	27	—	45	55
IMP (USP 124)	90	35	35	—	0½	1	—
" "	100	25	25	—	0½	1	—
" "	110	15	15	19	1	3	4
" "	120	5	10½	14	1	6	9
" "	130	0½	5	8½	7	14	16
LMO (USP 284)	260	27	50	57	2	12	18
" "	280	10	34	45	6	20	27
" "	300	1½	20	27	20	30	37
" "	330	2	10	18	50	57	62
" "	360	2	4	—	80	80	—
" "	390	2	2	—	110	110	—
LNR (USP 91)	60	32	—	—	0¾	—	—
" "	70	22	—	—	1	—	—
" "	80	12	13	15	1	3	3½
" "	90	2	6½	9½	1	8	10
" "	100	0½	2½	5	10	15	17
P & O (USP 124)	100	25	28	30	1	2	4
" "	110	15	20	22	1	4	8
" "	120	6	12	14	1	7	11
" "	130	1	6	9	8	12	21
" "	140	1	4	—	18	20	—
" "	160	0½	1	—	38	39	—
RCL (USP 479)	390	90	—	—	1	—	—
" "	420	60	—	—	2	—	—
" "	460	20	47	58	2	18	29
" "	500	2	25	35	28	35	42
" "	560	2	12	20	77	80	82
" "	600	2	3	10	127	127	130
" "	650	1	2	—	177	177	—
RTZ (USP 547)	330	220	—	—	—	—	—
" "	360	190	—	—	1	—	—
" "	390	160	162	—	1	1	2
" "	420	130	132	132	1	2	5
" "	460	90	97	100	1	6	12
" "	500	50	67	77	2	15	25
VRF (USP$129)	50	79	—	—	0½	1	-
" "	55	74	—	—	0½	1	-
" "	60	69	69	—	0½	1	—
" "	70	59	59	—	0½	1	—
" "	80	49	49	49	0½	0½	—
" "	90	39	39	39	0¾	1	2¼
" "	100	29	29	29	0¾	2	4½
" "	110	19	19½	28	0¼	3½	8
" "	120	9	14½	18	1	7½	11½
" "	130	—	10	13½	—	12½	16

Feb. 15 Total Contracts 3,128 Calls 2,445 Puts 683

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 — 01-623 1288

Black Horse Man. Fd.		215.60	...	—
Managed Inv. Fd	147.51	155.28	...	—
Property Fd	145.15	152.79	...	—
Fixed Interest Fd	132.35	139.44	...	—
Cash Fd	141.15	148.06	...	—
Income Fd	139.35	157.23	...	—
Extra Income Fd	140.91	148.33	...	—
Worldwide Growth Fd	193.70	203.74	...	—
Balanced Fd	157.84	166.15	...	—
Smlr Co's & Recv. Fd	184.86	194.59	...	—
Int. Technology Fd	223.97	235.76	...	—
Nth Amer. & Gen Fd.	149.77	167.13	...	—
Energy Int. Fd.	89.87	94.60	...	—
Pacific Basin Fund	114.76	120.80	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. — 0444 414111

Equity	93.8	98.7	...	—
International	104.4	109.9	...	—
Property	104.0	109.5	...	—
Deposit	95.4	100.4	...	—
Fixed Interest	94.0	98.9	...	—
Managed	99.6	104.8	...	—
Equity Pens Cap	93.1	98.0	...	—
Intnl Pens Cap	106.1	111.7	...	—
Property Pens Cap	106.2	111.8	...	—
Deposit Pens Cap	95.3	100.3	...	—
Fixed Int Pens Cap	93.5	98.4	...	—
Managed Pens Cap	100.4	105.7	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Feb 1		85.2	...	—
Rtmt. Fed. Feb 8		224.8	...	—
Managed Pen Fund	160.7	169.1	...	—
Property Pen Fund	110.0	115.8	+0.5	—
Index Lnkd Pen Fund	119.5	125.8	−0.3	—
Managed	109.0	114.8	−1.4	—
Property	97.9	103.1	...	—
Gilt and Fixed Interest	97.0	102.6	+1.0	—
Index-Linked	103.4	108.9	−0.6	—
Equity	111.9	117.8	+0.1	—
Cash	97.9	103.1	...	—
Midland Bk. Unit Tst.	106.9	112.6	+1.0	—
Midland Bank Intnl	123.4	129.9	+1.2	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB — 01-902 8876

Equity Units	£32.92	—	+0.15	—
Property Units	£16.80	—	+0.01	—
Equity Bond/Exec	£22.59	22.85	+0.10	—
Prop. Bond/Exec.	£22.96	23.24	+0.01	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ — 01-628 8131

G.T. Plan Bond Fund	120.5	126.9	+0.6	—
GT Pln High Yld Fnd	108.6	114.4	+0.9	—
GT Plan Far East Fnd	97.0	102.2	+1.9	—
GT Pln N Am Fund	151.5	159.5	+3.5	—
GT Pln UK&G E Fnd	125.0	131.6	+0.9	—
GT Pln Wrldwde Fnd	119.0	125.3	+2.2	—
GT Pension Bnd Fnd	126.4	133.1	+0.7	—
GT Pen High Yld Fd.	121.3	127.7	+1.0	—
GT Pen Far East Fd	103.1	108.6	+2.5	—
GT Pen N. Am. Fd.	190.9	201.0	+1.48	—
GT Pen UK & G.E. Fd	137.5	144.8	+1.0	—
GT Pen Worldwide Fd.	126.1	132.8	+2.5	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. — 01-488 0733

Intl Managed Bond	158.9	167.3	...	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc		220.3	...	—
Portfolio Fd. Init.		187.2	...	—
Portfolio Fd. Cap.		213.5	...	—
Portfolio Man. Acc.	67.7	71.3	...	—
Portfolio Man. Init.	60.2	63.4	...	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU — 01-377 1122

Flexible Finance		1,413	...	—
Landbank Secs.		62.7	...	—
Landbank Scs. Acc	172.4	176.8	...	—
G. & S. Super Fd.		£10.638	...	—

Guardian Royal Exchange
Royal Exchange, E.C.3. — 01-283 7101

Guardian Assurance

Property Bonds	299.3	311.7	...	—

GRE Linked Assurance Limited

Managed Initial	187.2	197.1	+0.3	—
Do Accum	204.7	215.5	+0.3	—
Equity Initial	238.3	250.8	+0.1	—
Do Accum	260.6	274.3	+0.2	—
Fixed Int. Initial	175.7	184.9	+1.1	—
Do. Accum.	192.1	202.2	+1.2	—
International Initial	182.7	191.2	−0.9	—
Do. Accum	199.8	210.3	+0.2	—
Property Initial	122.4	128.8	...	—
Do. Accum.	133.7	140.7	...	—
Deposit Initial	119.8	126.1	...	—
Do. Accum.	131.0	137.9	...	—

GRE Pensions Management Ltd.

Pens. Managed Initial	181.0	190.6	+0.6	—
Pens. Managed Acc.	193.5	203.7	+0.6	—
Pens. Equity Initial	221.7	233.4	+0.2	—

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

Northgate Unit Tst. Mngrs. (Jersey)
31, Pier Road, St Helier, Jersey, C.I.

Pacific Fd Feb 9	$9.55	10.25	...	—

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.

NAV.	$15.36	—	+0.23	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Perpetual U.T. Mgrs (Jersey) Ltd.
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Phoenix International
PO Box 77, St. Peter Port, Guern. — 0481 26741

Inter-Dollar Fund	$3.93	4.24	...	—
Far East Fund	$2.82	3.04	...	—
Intl. Currency Fund	$1.74	1.88	...	—
Dollar Fxd. Int. Fund	$3.31	3.57	...	—
Ster. Exempt Gilt Fd.	£2.02	2.18	...	—

Providence Capitol International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.280	1.376	...	—
Intl. Stockmarket	$0.974	1.048	...	—
World Technology	$0.988	1.062	...	—
N. Am. Stockmarket	$1.136	1.222	...	—
Far East	$0.840	0.903	...	—
UK Fixed Interest	£1.135	1.221	...	—
Intl. Fixed Int	$1.041	1.119	...	—
Intl Currency	$0.985	1.059	...	—
Intl Money Market	$1.017	1.094	...	—
U.K. Money Market	£1.003	1.078	...	—
Stlg. Mangd. Fd	£1.072	1.153	...	—
Dollar Mangd. Fd	$1.018	1.095	...	—

Savings Target Rate $11.10
Prices on Feb 9. Next dealing Feb 16.

Quest Fund Man. (Jersey) Ltd.
PO Box 194, St Helier, Jersey. — 0534 27441

Quest Stlg. Fxd. Int.	£0.783	0.829	...	10.5
Quest Intl. Secs	$0.976	1.050	...	1.33
Quest Intl. Bd	$0.829	0.878	...	11.9

Prices on Feb 9. Next dealing Feb 16.

Merc. Mny. Feb 14	17.01	17.03	...	—

Wardley Investment Services Ltd.,
4th Floor, Hutchison House, Hong Kong

Wardley Trust.	HK$30.25	32.00	...	3.09
Wardley Nikko As. Fd.	US$26.60	27.81	...	5.39
Wardley Bond Trust	$10.40	10.60	...	8.58
Wardley Japan Trust.	$18.81	19.50	...	1.08

Westavon Secs. (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gth & Option Fd	98.0	103.0	...	3.00

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.16	—	+0.22	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM — 0624 25015

Wren Com. Fund	37.2	38.7	...	3.10
Chinese Fund	80.4	83.8	...	7.70
Precious Metal Fund	155.5	161.6	...	6.30
Vanguard Cmdy. Fd.	53.5	44.6	...	2.26
Financial Futures Fd.	125.4	130.5	...	—
Wren Intl. Fnd.*	$0.958	0.997	...	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

LATIN AMERICAN FUNDING DIFFICULTIES AVOIDED

Libra Bank lifts profits by 39%

BY WILLIAM HALL, BANKING CORRESPONDENT, IN LONDON

LIBRA Bank, the biggest of the London consortium banks specialising in lending to Latin America, increased its pre-tax profits by 39 per cent to £38.5m ($58.9m) in 1982 after doubling its bad debt provisions.

Mr Tom Gaffney, Libra's managing director, said that until last year Latin American countries had been able to finance their balance of payments deficits by regular borrowing in the world financial markets. "As this is an option no longer easily open to them, they have now entered an era involving economic policy adjustment programmes which will, given time, correct the payments disequilibrium," he said.

Given the ultimate creditworthiness of most of Latin America, the effort "deserves continuing support from the international banking community," Mr Gaffney said.

Libra's profits have been affected by the need to make substantial provisions and "conservative accounting principles, particularly in the treatment of interest receivable." Nevertheless, the buoyancy of the bank's profits, given the troubles of many of the bank's customers, will come as a surprise to some bankers.

Mr John Finch, Libra's general manager in charge of banking, said the size of the bank's non-performing loans was "very, very small". However, as a result of reschedulings the average life of the loan portfolio had increased from 2.36 years to 2.6 years during 1982 and will grow further in the current year.

He noted that Libra Bank has not suffered the funding difficulties which some other Latin American banks are rumoured to have encountered. The bank had very large standby lines from its shareholders and these had been used only very occasionally.

Most Latin American countries were keeping their interest payments up to date, Mr Finch said, and added: "If the day were ever to come when they repudiated their debts, then it would not just be Libra Bank that would be in trouble but Citibank, National Westminster, everybody."

The bank is paying an unchanged dividend of £1.63m and increasing its share capital to £35m by capitalising £18.7m of retained earnings. At the end of 1982, Libra had shareholders' funds of £65.3m and subordinated loans of £48.1m.

Total assets grew by 22 per cent to £1.518bn, but this was largely due to a fall in the sterling exchange rate

NORTH AMERICAN QUARTERLY RESULTS

ACF INDUSTRIES

Fourth quarter	1982 $	1981 $
Revenue	157.2m	276.9m
Net profits	834,000	18.7m
Net per share	0.10	1.82
Year		
Revenue	791.5m	948.3m
Net profits	33.m	47.5m
Net per share	3.74	5.23

ALLEGHENY INTERNATIONAL

Fourth quarter	1982 $	1981 $
Revenue	663.9m	604.0m
Net profits	1.97m	19.5m
Net per share	†0.64	1.59
Year		
Revenue	2.64bn	1.89bn
Net profits	47.3m	81m
Net per share	0.21	7.48

† Loss

BISCAYNE FEDERAL SAVINGS

Second quarter	1982-83 $	1981-82 $
Revenue	52.7m	54.5m
Net profits	†9.93m	†9.94m
Net per share	†5.29	†5.30
Six months		
Revenue	104.5m	108.1m
Net profits	†23.05m	†15.3m
Net per share	†12.30	†8.17

† Loss

BUTLER INTL.

Fourth quarter	1982 $	1981 $
Revenue	87.4m	87.9m
Net profits	1.39m	1.61m
Net per share	0.24	0.30
Year		
Revenue	343.8m	350.5m
Net profits	6.31m	8.67m
Net per share	1.13	1.57

CHARTER CO.

Fourth quarter	1982 $	1981 $
Revenue	1.23bn	1.26bn
Net profits	6.2m	7.4m
Net per share	0.18	0.21
Year		
Revenue	4.02bn	4.77bn
Net profits	35.3m	7.7m
Net per share	1.04	0.06

CHICAGO AND NORTHWESTERN

Fourth quarter	1982 $	1981 $
Revenue	195.3m	226.7m
Net profits	†5.9m	13.3m
Net per share	†0.44	0.95
Year		
Revenue	803.8m	981.8m
Net profits	†19.1m	54.3m
Net per share	†1.43	3.89

† Loss

CHUBB

Fourth quarter	1982 $	1981 $
Revenue	—	—
Net profits	24.6m	26.4m
Net per share	2.00	2.15
Year		
Revenue	—	—
Net profits	74.2m	103.5m
Net per share	6.03	8.41

COMBUSTION ENGINEERING

Fourth quarter	1982 $	1981 $
Revenue	919.5m	1.05bn
Net profits	52.9m	55.5m
Net per share	1.59	1.68
Year		
Revenue	3.57bn	3.81bn
Net profits	158.1m	150.8m
Net per share	4.77	4.56

DANA

Year	1982 $	1981 $
Revenue	2.42bn	2.71bn
Net profits	51.6m	115.6m
Net per share	1.43	3.25

EL PASO

Fourth quarter	1982 $	1981 $
Revenue	1.19bn	1.13bn
Net profits	†12.9m	39.4m
Net per share	†0.27	0.81
Year		
Revenue	4.36bn	3.91bn
Net profits	59.2m	147.3m
Net per share	1.20	3.07

† Loss

FRUEHAUF

Fourth quarter	1982 $	1981 $
Revenue	434m	513.9m
Net profits	†7.2m	783,000
Net per share	†0.58	0.06
Year		
Revenue	1.85bn	2.18bn
Net profits	†30.4m	21.4m
Net per share	†2.47	1.74

† Loss

MOLSON

Third quarter	1982-83 C$	1981-82 C$
Revenue	467.4m	447.6m
Net profits	13.7m	11.3m
Net per share	0.91	0.76
Nine months		
Revenue	1.48bn	1.41bn
Net profits	56.5m	47.4m
Net per share	3.99	3.36

WASTE MANAGEMENT

Fourth quarter	1982 $	1981 $
Revenue	261.8m	213.8m
Net profits	29.2m	23.4m
Net per share	0.63	0.54
Year		
Revenue	966.5m	772.7m
Net profits	106.5m	84m
Net per share	2.40	1.95

WESTCOAST TRANSMISSION

Fourth quarter	1982 C$	1981 C$
Revenue	—	—
Net profits	15m	19.1m
Net per share	0.35	0.46
Year		
Revenue	1.15bn	1.27bn
Net profits	70m	65.4m
Net per share	1.65	1.59

EUROBONDS

Mitsubishi Estate in $50m issue

By Peter Montagnon in London

MITSUBISHI Estate Company is raising $50m through an 11¾ per cent Eurobond led by Morgan Stanley. This is the first fixed-rate Eurobond in about two weeks, and its launch yesterday coincided with a strong recovery of prices in the secondary market.

The five-year issue, which is priced at par, met with a positive reception and was quoted by the lead manager last night at a discount of about 1 per cent. This is well within the managers' selling concession of 1⅛ points.

Traders said this in part reflected the strength of yesterday's market, but added that the coupon on the Mitsubishi bond testifies to the need for borrowers to offer realistic yields. Its level contrasts markedly with the coupons of well below 10 per cent that were being offered by some borrowers during the new issue boom in early January.

The issue is the first to be offered by a Japanese corporate borrower without the guarantee of a bank. After a recent change in Japanese regulations corporate borrowers may float such non-guaranteed issues as long as their rating is at least double A. This issue has been rated double A plus by Standard and Poor's.

Secondary market prices of seasoned Eurobonds rose about ½ per cent yesterday with smaller gains being recorded in recent issues on both professional short covering and some bargain buying by investors. Background factors were the firmness of the New York market and January's 1 per cent fall in U.S. wholesale prices.

The Canadian dollar sector also witnessed something of a revival after Royal Bank of Canada cut its prime rate to 11½ per cent from 12 per cent. This saw the launch of a C$50m Eurobond for the Farm Credit Corporation of Canada. Led by Wood Gundy, this issue is for 10 years with a coupon of 12¾ per cent and issue price 99¾. The borrower is an agency of the Canadian Government.

European markets were quiet yesterday, although Swiss franc issues firmed in line with the currency in exchange markets. New Zealand is raising a SwFr 200m, five-year 5¼ per cent private placement at par through UBS. A SwFr 75m six-year 6¾ per cent placement has been announced for Telefonica, the Spanish telephone authority through the same bank.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for February 15.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 14¼ 89	75	110½	111	-0⅛	-1⅜	11.68
Amro Bank 13 89	200	104½	105	-0⅛	-1⅛	11.58
BHP Finance 14¾ 89	150	106⅝	107⅛	-0¼	+0⅝	13.03
British Col Hyd 14¾ 89	200	112⅛	112⅝	-0⅛	-2½	11.80
British Col Hyd 15⅛ 92	150	114½	115	+0⅛	+0⅝	12.46
Canada 14¾ 87	750	111⅜	111⅞	-0⅛	+1⅛	10.83
Canadair Ltd 12½ 89	175	104⅛	104⅝	0	-1	11.51
Canadian Wheat 11¼ 90	50	98¾	99¼	-0⅛	+0⅝	11.43
Can Pac Ltd 14⅝ 92	75	107½	108	-0⅛	+0½	13.10
Can Pac Sec 15 89	75	108⅝	109⅛	-0⅛	+0⅝	12.82
Citicorp O/S 15 84/92	100	104¾	105¼	+0⅛	+0⅝	10.15
Coca Cola Int 9⅞ 92	100	24½	24⅝	-0⅜	+1½	10.83
Coca Cola Int 11⅜ 88	100	105¾	106¼	+0⅜	-1⅛	10.42
Credit Suisse 10½ 89	100	100½	101	-0⅛	-1⅜	10.33
Deutsche Bk Fin 14⅛ 89	300	109½	110	0	+1	11.86
Du Pont 11¼ 95	150	99⅝	100⅛	+0⅛	+1¾	11.26
Du Pont 14⅛ 88 WW	200	107½	108	+0⅛	+0⅞	12.28
E D C 10¾ 88	100	99⅛	99⅝	+0⅛	+1⅛	10.88
E.D F 12¾ 87	150	102⅞	103⅜	+0⅛	+0⅝	11.60
E E C. 11½ 95	200	97½	98	+0⅛	+1⅛	11.85
E.I B 15½ 92	100	112⅝	113⅛	-0½	+1¾	13.01
Exp Dev Corp 11¾ 87	100	102	102½	-0⅛	-1⅛	11.09
Forsmarks 13¾ 92	75	103¾	104¼	-0⅜	+1½	12.96
Gaz de France 12¼ 93	175	18	18½	0	+0⅛	12.54
Gen Elec Credit 9¾ 91	100	13½	14	0	+1	10.89
Gen Elec Credit 12 89	100	105¾	106¼	-0⅛	+1⅝	10.66
Getty Oil Int 14 89	125	107¼	107¾	+0⅛	+1⅛	12.18
GMAC O/S Fin 10½ 90	200	96½	97	-0⅛	+1	11.19
GMAC O/S Fin 15 87	100	109⅛	109⅝	+0⅛	+1⅛	12.01
GMAC O/S Fin 15 89	125	112¼	112¾	-0⅛	+1⅛	12.01
Gulf Oil Fin 12¼ 87	100	104⅞	105⅜	+0⅛	+1⅜	10.75
IBM World Trade 12⅛ 92	200	109⅛	109⅝	-0⅛	-0⅛	10.62
Lloyds Euro 11½ 94	100	17	17½	0	0	11.93
Manitoba Prov 11¾ 89	125	102⅜	102⅞	+0⅛	+0⅝	11.15
Manitoba Prov 13¾ 89	100	108⅜	108⅞	0	+0⅝	11.76
Midland Int Fin 11½ 92	150	98¾	99¼	+0⅛	-0⅛	11.66
Nat West Fin 11⅜ 92	150	100½	101	+0⅛	-1	11.58
New Brunswick 15¼ 87	75	112	112½	+0⅛	+1⅛	11.52
Newfoundland 15½ 90	75	110	110½	-0⅛	-0⅛	13.21
Nova Scotia Prv 15¼ 89	75	112⅛	112⅝	0	-0⅜	12.31
Ontario Hydro 11⅛ 89	200	101⅞	102⅜	+0⅛	+1⅜	10.78
Ontario Hydro 12¾ 92	200	104½	105	-0⅛	+1⅛	11.87
Ontario Hydro 15 92	150	114¼	114¾	+0⅛	+0⅞	12.29
Prudential O/S 12¾ 87	150	106	106½	-0¼	+1⅜	10.83
Quebec Hydro 11½ 92 D	100	98⅞	99⅜	0	+0½	11.84
R. J. Reynolds 12⅞ 89	100	105⅛	105⅝	-0⅛	+1⅜	11.51
Saskatchewan Prov 15 92	150	112¼	112¾	0	-0¼	12.63
Shell Canada 14⅞ 92	125	108	108½	0	+1⅝	12.77
Superior O/S Fin 14 89	125	107⅞	108⅜	+0⅛	+1⅛	12.85
Swed Exp Credit 14¾ 90	100	107⅛	107⅝	0	-1⅜	13.08
Swiss Bk Corp 10¼ 90	125	99⅞	100⅜	-0¼	+0⅞	10.22
U B.S. 10¾ 87	200	102⅝	103⅛	+0⅛	-1	9.94
U.B.S. 11 89	150	102⅛	102⅝	+0⅛	+0½	10.47
Walt Disney Pro 12½ 89	75	103⅞	104⅜	+0¼	+1½	11.61
World Bank 10⅞ 90	200	98⅛	98⅝	-0⅜	+1⅜	11.22
World Bank 11⅛ 90	100	95½	96	+0¼	-0⅛	11.73
World Bank 13¼ 87	300	106⅝	107⅛	-0⅜	+1½	11.22

Av. price changes: on day +⅛, on week +1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	100½	101	+0¼	+0½	8.13
Asian Dev Bank 8¼ 92	150	99½	100	0	+0½	8.28
Australia 6⅞ 93	200	98¼	98¾	+0¼	+0½	7.09
Australia 7¾ 92	200	102⅜	103⅛	+0½	+1	7.34
Bayer Capital 7⅝ 89	150	102	102¾	+0⅜	+0⅞	7.16
Beecham Fin 8⅛ 92	125	102	102¾	+0⅜	+1¼	7.76
Caisse Nat Energie 8 93	100	99½	100	+0¼	+0⅞	8.03
Caisse Nat Tele 7¾ 93	200	97½	98¼	+0⅜	+0⅜	8.07
E.C.S C. 7½ 93	150	98	98½	-0⅛	+0¾	7.76
E.C.S.C. 8 94	200	99⅞	100⅜	-0⅛	+0¼	7.97
E.E C. 8 94	200	100	100½	0	+0¼	7.95
E.I.B 8¼ 92	200	101	101½	0	-0½	8.05
GKN 8⅜ 89	100	98	98¾	+0⅛	-0⅛	8.69
Gould Int Fin 8¼ 89	75	102	102½	+0⅛	+1¼	7.80
H.J. Heinz Int 6¾ 88	50	99	99¾	+0¼	+0¼	6.98
Int-Am Dev Bk 8¼ 93	150	99½	100	0	+0½	8.28
Ireland 8⅞ 91	150	99¾	100¼	+0⅜	+0⅜	8.87
ITT Antilles 7 93	200	97½	98¼	+0⅝	-0⅛	7.31
McDonalds Fin 7⅛ 92	100	99½	100	0	-0⅝	7.16
Mitsubishi Heavy 7⅝ 87	150	100¼	100¾	+0⅜	-0½	7.49
Norsk Hydro 9 92	100	104⅞	105⅜	+0¼	+0⅛	8.15
O.K B. 8⅞ 89	100	102⅞	103⅛	-0⅜	-0¼	8.30
Sweden Kingdom 8⅛ 89	150	101½	102	+0¼	+1½	7.80
World Bank 7¼ 93	200	97¾	98½	+0½	+0½	7.52
World Bank 8⅛ 92	200	101½	102	+0¼	+0¾	7.98

Av. price changes: on day +¼, on week +⅝

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
B.F C.E. 6¼ 92	100	100⅞	101⅛	-0⅛	-0⅜	6.11
Bowater Int Fin 6 92	100	102⅞	103⅛	+0⅛	0	5.59
Chugoku Ele Pow 6⅛ 91	100	103¼	103⅝	-0⅛	-0⅛	5.60
City of Oslo 6¼ 92	100	104⅛	104⅜	-0⅜	-1⅛	5.66
E E C. 6¼ 92	100	104¼	104½	+0⅛	+0⅜	5.65
Europarat 6¾ 92	100	102¼	102½	+0⅜	+0½	6.41
First Interstate 6 92	100	103⅞	104⅛	+0⅛	+0⅛	5.46
Gaz de France 6 93	100	101½	101¾	-0⅜	-1¼	5.78
Japan Air Lines 6 94	100	103	103¼	0	0	5.82
Japan Dev Bk 5¼ 92	100	101⅞	102⅛	+0⅛	+0⅛	4.99
KLM Dutch Air 6¼ 92	80	103⅜	103⅝	+0⅛	+0⅜	5.73
Kyushu Elec Power 6 92	100	102⅛	102⅜	-0⅛	-0⅛	5.69
Montreal Urban 6½ 92	100	105¼	105½	0	0	5.76
New Zealand 5¼ 92	100	102⅛	102⅜	+0⅛	+0⅞	4.96
Nippon Express Co 6 93	50	102¾	103	0	+0¼	5.61
Nippon Kokan 5⅝ 93	100	98¾	99	+0¼	0	5.78
Nisshin Steel Co 6⅜ 92	100	101¾	102	+0⅛	+0¾	6.17
O.K.B. 6¾ 93	60	101⅜	101⅝	+0⅜	+0⅜	6.54
Philip Morris 5¼ 92	100	102¼	102½	-0⅛	+0⅛	4.93
Philips Lamps 5¾ 92	100	103⅜	103⅝	+0⅛	-0⅛	5.24
Quebec 5¾ 92	100	103⅛	103⅜	+0⅛	-0⅛	6.32
Sweden Kingdom 5⅞ 92	100	100½	100¾	+0¼	+0⅛	5.79
Tokyo Elec Power 5⅞ 92	100	102⅝	102⅞	+0⅛	+0⅜	5.58
Tokyo Metropolis 5¾ 92	100	100⅝	100⅞	+0⅛	-0¼	5.27
World Bank 5½ 93	100	101¼	101½	0	+0¼	5.32
World Bank 6⅛ 92	100	104¼	104½	+0⅛	0⅜	5.64

Av. price changes: on day +⅛, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	105¼	106	+0⅛	-0⅛	7.77
E.I.B. 8¼ 92	15	102⅝	103⅝	+0¼	+0¾	7.76
Japan Airlines 7⅞ 87	8†	101	102	-0¼	-0¼	7.43
New Zealand 8¾ 87	15	103½	104½	+0⅛	-0⅛	7.35
World Bank 8⅞ 92	20	103¼	104¼	0⅛	0⅛	7.78

Av. price changes: on day 0, on week -½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bri Col Tel 17¼ 88 CS	50†	112¾	113¼	0	+0⅜	13.88
Can Utilities 17 87 CS	35†	114	115	0	0	12.52
Gaz de France 15 89 CS	75†	106¼	106¾	0	-0¼	13.43
Gaz Metro 14½ 92 CS	40†	104	105	0	0	13.81
O K B. 16¼ 88 CS	63†	114¾	115¾	0	-0⅞	12.45
Quebec Hydro 14 92 CS	60†	107	107½	0	+0½	12.64
Swed Exp CR 12¼ 88 CS	50†	99	99½	+0¼	+1½	12.46
Ireland 12⅝ 90 Ecu	30†	100	101	0	+0⅝	12.62
Thom Brand 12½ 87 Ecu	40†	100	101	0	0	12.34
Amfas 9½ 87 Fl	60	104½	105	0	-0½	8.24
Amro Bank 9½ 87 Fl	100	105⅜	105⅞	-0⅛	+0¼	8.01
Neder Midbk 9¼ 87 Fl	100	104½	105	0⅛	-0⅛	8.01
Nedlloyd Grp 10¼ 87 Fl	75	105⅜	105⅞	+0⅛	-0⅛	8.73
Van Lanschot 10¼ 87 Fl	50	108¼	108¾	-0⅛	-0¼	7.97
World Bank 10 87 Fl	100	107⅜	107⅞	+0⅛	+0⅜	7.97
O.K.B. 14 86 FF	400	97⅛	98⅛	0	0	14.82
Solvay & Cie 14¾ 88 FF	200	96½	97½	0	0⅛	16.82
B.F C E. 14½ 87 £	30	105½	106½	-0⅛	+0⅝	12.57
C.E C.A. 13½ 88 £	70	102⅝	103⅝	+0⅜	+1⅜	12.65
C.N.T. 12½ 89 £	20	98	99	+0⅛	-0½	12.91
E E.C. 11⅞ 91	50	95¾	96½	+0⅜	+0¾	12.67
Fin For Ind 12¼ 88 £	30	99⅛	100⅛	-0⅛	0¼	12.31
Fin Mat Oranj 12⅝ 92 £	30	21⅞	22⅛	-0⅜	-0¾	13.14
Gen Elec Co 12½ 89 £	50	103¼	104¼	-0½	+0⅝	11.62
Hiram Walker 14¼ 86 £	25	104⅛	105⅛	0	-0⅛	12.35
Mort Bk Fin 11¾ 89 £	15	22½	23½	0	+0½	13.48
Norsk Hydro 12 90 £	30	25⅛	26⅜	-0⅜	+1	13.13
Norsk Hydro 14½ 87 £	30	105⅜	106⅜	-0⅛	-0⅜	12.61
Quebec 14½ 89 £	30	104⅜	105⅜	+0⅜	-1	13.28
S D R France 15½ 92 £	30	104	105	-0⅛	-0⅜	14.55
S N C.F 11½ 89 £	30	92⅝	93⅝	-0⅛	-1¼	13.07
Tenneco Int 14¾ 87 £	30	105½	106½	+0⅛	-0⅜	12.84
World Bank 11¾ 91 £	75	24½	25½	-0⅝	+1⅛	12.45
Eurofima 10½ 87 LuxFr	500	98⅛	99⅛	1⅜	0⅜	10.86
Europarat 12½ 92 LuxFr	500	104⅛	105⅛	-0⅛	0	11.64

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	99⅞	100⅜	10/6	9⅜	9.74
B F.C.E. 5¼ 88	0¼	99	99½	20/7	9¼	9.32
B F C.E. 5⅛ 87	0¼	99½	99¾	27/7	9.94	9.97
Caisse Nat Tele 5¼ 90	0¼	99⅛	99⅝	21/4	10.56	10.63
C.C.C.E. 5¼ 2002	0⅜	97¾	98¼	11/3	9⅞	10.09
Cepme 5⅛ 92	0¼	99½	99¾	10/6	9.94	9.97
Chemical NY 5¼ 94 ††	0⅛	100⅛	100⅝	23/3	9.94	9.90
Credit Agricole 5¼ 97	0⅛	99¾	99⅞	24/3	12⅞	12.94
Credit du Nord 5¼ 92	0¼	99⅛	99⅝	23/6	10⅛	10.19
Credit Lyonnais 5¼ 97	0¼	99¾	99¾	1/4	12.19	12.25
Credit Lyonnais 5⅛ 94	0¼	99	99½	5/7	9¼	9.82
Credit Nat 5¼ 94 ††	0¼	98⅝	99⅛	9/3	12.16	12.31
Kansallis Osake 5½ 92	0¼	99⅝	100⅛	6/5	10.88	10.86
Lloyds Eurofin 5⅛ 93 §	0¼	100	100¼	29/4	10.56	10.52
Long Term Cred 5¼ 92	0⅛	100	100⅛	27/5	10⅛	10.11
J.P. Morgan 5¼ 97 §	0¼	100⅛	100⅜	12/5	9½	9.45
Nat West Fin 5⅛ 91 §	0¼	100⅛	100⅜	16/7	9¼	9.23
New Zealand 5⅛ 87	0⅛	100¼	100¾	7/4	12½	12.44
NZ Steel Dev 5¼ 92	0¼	99⅞	100⅜	22/6	10.19	10.18
Nippon Credit 5¼ 90	0⅛	99⅞	100⅜	10/8	9⅞	9.86
Offshore Mining 5⅛ 91	0¼	100	100½	2/8	10.44	10.41
Scotland Int 5¼ 92	0⅛	99¾	100	23/3	13⅜	13.27
Sec Pacific 5¼ 91	0⅛	100⅛	100⅝	24/5	10.06	10.02
Société Générale 5¼ 95	0⅛	99	99½	1/3	12.81	12.91
Standard Chart 5⅛ 91	0⅛	100	100½	16/5	10.69	10.66
Sweden 5¼ 93	0¼	98⅞	99⅜	3/8	10.19	10.28
Sweden 5¼ 89	0⅛	99	99¼	26/2	11.81	11.92

Av. price changes: on day 0, on week -⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	92¾	94½	0⅛	1.68
Bridgestone Tire 5½ 96	3/82	470	98½	100	+1⅜	0.40
Canon 7 97	7/82	748.2	168	170	-3⅛	3.68
Fujitsu Fanuc 4½ 96	10/81	5814	98	100	-1½	21.44
Hitachi Cable 5¼ 96	2/82	515	95¾	97¾	-0⅛	18.24
Hitachi Credit Corp 5 98	7/81	1612	87	89	+0⅛	19.79
Honda Motor 5½ 97	3/82	835.5	121⅞	123⅜	+0⅞	3.95
Kawasaki 5¾ 96	9/81	229	71	72½	+0⅛	19.15
Kumagai Gum 6½ 97	10/82	408	112⅝	114⅛	+0⅜	3.84
Kyowa Hakko 6⅛ 97	2/83	762	104	105¼	+1⅜	11.84
Marui 6 96	7/81	846.4	120⅛	122⅜	+2¼	17.74
Minolta Camera 5 96	10/81	826.4	70⅛	71⅝	-0⅛	35.88
Minorco 9¼ 97 †	5/82	8.16	149	151	-3	0.31
Murata 5¼ 96	7/81	1971	91	92½	0	17.85
NKK 6½ 96	7/81	188	80⅝	82⅛	0	20.27
Nippon Electric 5¾ 97	2/82	804.2	122⅝	124⅛	-0⅝	7.52
Olympus Optical 6¾ 97	12/82	1331	103	104½	-0⅜	15.84
Orient Finance 5¼ 97	3/82	1205	98⅛	99⅝	+2⅜	2.50
Sanyo Electric 5 96	10/81	652	85	86½	-1	29.65
Sumitomo Electric 5½ 97	3/82	577.3	97⅞	99¼	-0⅝	13.36
Sumitomo Metal 5¼ 96	10/81	296.1	68⅛	69⅝	0⅜	29.44
Olympus Opt 4½ 92 SF	12/82	1331	107	109	+0½	32.35
Konishiroku 6¾ 98 DM	8/82	616	111⅝	113	+1⅜	12.82
Mitsubishi Heavy 6 89 DM	2/82	263	104⅝	105⅜	-0⅛	12.78
Sun Realty 6¼ 92 DM	2/83	365	108¼	109⅛	+0⅛	6.17

* No information available previous day's price

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Co. yld = current yield

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Wednesday February 16 1983

Unctad fund likely to be ratified, Page 31

WALL STREET

A hesitant hover above 1,100

AN UPWARD path for New York share prices was maintained for much of the session yesterday, and the Dow Jones industrial average succeeded, after one false start, in penetrating the 1,100 barrier which had been surpassed only once previously.

But an afternoon retreat left the Dow exactly four points lower at 1,093.10 on volume of some 89m shares, still comparatively low but up from the 72.6m on Monday.

Industrial shares made a brisk start, encouraged by signs of renewed demand for IBM, which quickly pushed through the $100 mark to reach $100⅛. IBM is often regarded as a barometer of the market's mood.

Other technology stocks responded to IBM's advance. National Semiconductor, Tymshare and Control Data all attracted buyers. IBM quickly established itself as volume leader, and analysts saw its success in breaking the $100 mark as significant for the rest of the market.

An initial rise petered out as the Dow approached 1,100 – a level which had previously brought out what appeared to be programmed selling orders. However, prices then resumed their advance

But this proved unable to be sustained and the downturn was reflected in an eventual steadying in IBM which ended at $98⅞. Again, the other technologies responded accordingly.

Mr Charles Lewis, vice-president at Shearson-American Express, said short-covering was the missing ingredient which continued to depress volume.

The credit markets, meanwhile,had lost much of their early gains by midsession as the Fed Funds rate moved upward and retail buying support dwindled. After averaging 8.49 per cent on Monday, the funds opened at 8¾ per cent and reached 8⅝ per cent at one stage as the Fed declined to intervene with additional reserves.

Mild upward pressure was also being exerted by settlement yesterday of the three-part $14.5bn February Treasury refunding.

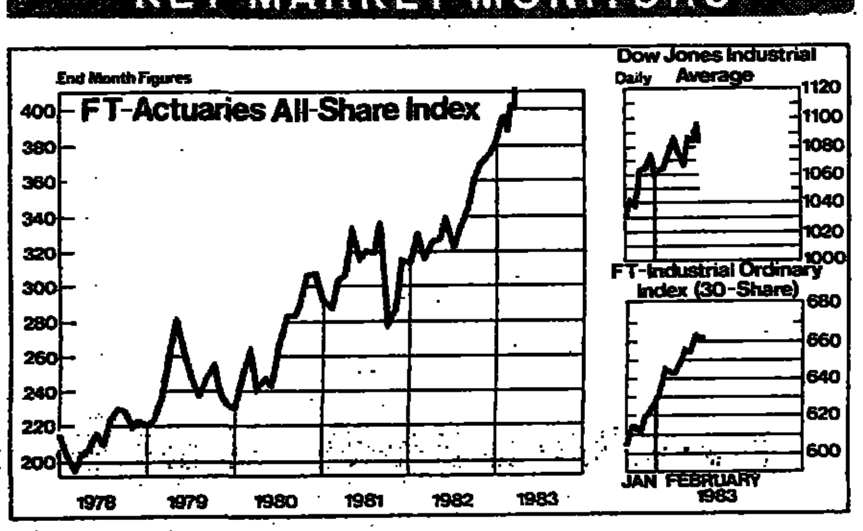
The benchmark Treasury 10⅜ per cent bonds due 2012, reopened as part of this programme, were oscillating between 94 15/16 and 95⅝, either side of Monday's levels. Neither was there any clear direction evident in trading in the other components of the package – the 9¾ notes of 1986 rose 3/32 to 99 21/32 while the 10⅞ per cent notes due 1993 were off 7/32 to 100 7/16 by midway.

Yields on the Treasury bills auctioned late on Monday were heading lower, however. The new three-month bills were off from an average auction yield of 8.256 per cent to a secondary market rate of 8.22 per cent, and the six-month bills from 8.389 to 8.35 per cent.

Elsewhere, City Investing sold $150m of 20-year sinking fund debentures to Drexel Burnham Lambert at $91.539 and carrying a 12½ per cent coupon. Drexel, which plans to reoffer the securities in the market from time to time, gave the net interest cost as 13.75 per cent.

Gold shares trailed behind a steady if cautious advance in **Toronto**, while other metals and minerals fared well, as did the oil and gas sector. Volume was fairly heavy there and in **Montreal**, where industrial, banks and utilities all showed strength.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Feb 15	Previous	Year ago
NEW YORK			
DJ Industrials	1093.10	1097.10	833.81
DJ Transport	477.53	480.94	347.54
DJ Utilities	123.94	124.08	105.2
S&P Composite	148.29	149.93	114.38
LONDON			
FT Ind Ord	661.9	660.7	557.2
FT-A All-share	412.91	412.08	323.20
FT-A 500	447.8	447.11	341.79
FT-A Ind	420.76	420.72	313.02
FT Gold mines	734.7	712.5	274.6
FT Govt secs	79.76	79.21	64 83
TOKYO			
Nikkei-Dow	8135.42	8132.02	7694.18
Tokyo SE	590.49	590.55	569.46
AUSTRALIA			
All Ord.	514 0	514 6	516.8
Metals & Mins.	456.2	465.1	370.7
AUSTRIA			
Credit Aktien	48.48	48.74	54.89
BELGIUM			
Belgian SE	105.93	106.01	97.56
CANADA			
Toronto			
Composite	2143.7 *	2136.9	1648.3
Montreal			
Industrials	365 62*	363.24	289.86
Combined	352.81*	350.56	274.37
DENMARK			
Copenhagen SE	107.57	106.26	97.62
FRANCE			
CAC Gen	105.9	105.4	108.3
Ind. Tendance	110.3	109.6	119 7
WEST GERMANY			
FAZ-Aktien	260.01	259.36	227.0
Commerzbank	779.9	779.1	692.8
HONG KONG			
Hang Seng	931.4	931.4	1248 35
ITALY			
Banca Comm.	202.01	200.61	189.57
NETHERLANDS			
ANP-CBS Gen	111.0	109.8	86.6
ANP-CBS Ind	97.3	95.5	68 3
NORWAY			
Oslo SE	145 39	139.02	108.73
SINGAPORE			
Straits Times	798.6	798.6	729.97
SOUTH AFRICA			
Golds	1019 3	987.9	503.2
Industrial	838 7	836.1	710.0
SPAIN			
Madrid SE	102.52	103 42	106.43
SWEDEN			
J & P	1160.23	1138.88	608.24
SWITZERLAND			
Swiss Bank Ind	306.8	305 8	243 5

GOLD (per ounce)

	Feb 15	Prev
London	$507.50	$502.25
Frankfurt	$511.00	$501.50
Zürich	$509.50	$500.50
Paris	$512 77	$503.38
New York futures (Feb)	$505 60	$508.40

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Feb 15	U.S. DOLLAR Previous	STERLING Feb 15	STERLING Previous
£	1.5415	1.5385	–	–
DM	2.4065	2.4155	3.71¼	3.72
Yen	233.75	235	360½	361¾
FFr	6.8250	6.8425	10.52	10.53
SwFr	1 9940	2.0085	3.07½	3.09¼
Guilder	2.6575	2.6675	4.10	4.10½
Lira	1385	1391¾	2134½	2141
BFr	47.19	47.50	72.75	73.10
C$	1.2237½	1.2245	1.8865	1.8835

INTEREST RATES

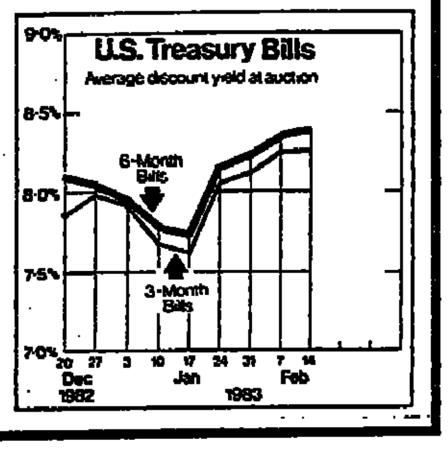
	Feb 15	Prev
Euro-currencies (three month offered rate)		
£	11 3/16	11 3/16
SwFr	2⅞	2⅞
DM	5 11/16	5¾
FFr	23¾	23¼
FT London Interbank fixing (offered rate)		
3-month U.S $	9 3/16	9¼
6-month U.S.$	9 7/16	9½
U.S. Fed Funds	8¾*	8⅝
U.S. 3-month CDs	8.70	8.85
U.S. 3-month T-bills	8.22	8.24

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
March	73–31	74–22	73–30	74–11
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.80	91.89	91.78	91.83
Cert Deposit (IMM) $1m points of 100%				
March	91.16	91.27	91.14	91.17
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.86	90.92	90.85	90.81
20-year Notional Gilt £50,000 32nds of 100%				
March	102–14	102–22	102–00	101–14
Three-month Sterling Deposit £250,000 points of 100%				
March	89 47	89.54	89.47	89.50

LONDON COMMODITY MARKETS

	Feb 15	Prev
Silver (spot fixing)	947.55p	922 95p
Copper (cash)	£1089	£1077
Coffee (March)	£1728	£1724
Oil (spot Arabian light)	$29.62	$29.72



LONDON

Gilts take on greater allure

EQUITIES, which for many weeks have dominated London trading, finally bowed to renewed interest in Government securities yesterday. This sector's run of rising values was extended to a seventh session, and the movement drew greater attention from investors, recently concentrating chiefly on first and second-line industrial shares.

Brighter prospects for lower international interest rates remained the basic stimulant, with the pound's performance in foreign exchange markets an additional aid.

The volume of trade in gilt-edged improved as overseas investors vied with domestic institutions to obtain stock. Supplies of longer-dated issues became noticeably short, in the absence of recent official sales. The area is currently free of Government tap stock. As a result, yesterday's gains were the largest in the recent advance extending to 1½ points before being shaved finally to around 1¼.

Medium-dated gilts rose about a point and even the shorts managed to shrug off the recent adverse effects of new funding arrangements. But improvements there were limited to around ¼.

Index-linked issues continued to move conversely, as holders' attempts to switch to conventional gilts found dealers adequately supplied and reluctant to take more stock on their books. Losses ranged to a full point – Treasury 2½ per cent 2011 fell that much to 106¾.

Equity markets were not without early excitement. The deferral of Associated British Ports' debut for 24 hours – the result of a postal delay for some successful allotment letters – unquestionably caused the biggest surprise. Dealings will begin in the shares this morning. Wall Street's overnight upsurge to an all-time high influenced London markets but the effects faded before reviving later.

With one or two exceptions, leading shares moved narrowly throughout, until hardening after the official close. The FT Industrial Ordinary share index was held to within a range of 2.4 points in the earlier counts, and closed 1.2 up on balance at 661.9.

AUSTRALIA

Resources sold

MARKDOWNS in the resource sector came sharply in the last hour of Sydney trading as New York investors took profits, particularly in blue chip mining issues. In contrast, wide gains were registered among industrials.

MIM was 20 cents off at A$4.02, CRA 12 cents at A$3.80 and Bougainville Copper 10 cents to A$2.30, but BHP managed a six cent gain to A$6.56.

Golds were a firm spot, with 10 cent advances for GMK at A$12.70 and Peko at A$6.50.

A parcel of 3.3m shares in Leighton Holdings, a contracting and property concern, was sold reportedly by Mr Robert Holmes à Court's Bell group. This followed an off-market sale of 1.83m units on Monday.

In **Melbourne**, Elders was steady after boosting interim profits 79 per cent to A$29m.

SOUTH AFRICA

Rate impetus

PRIME RATE cuts by the main South African banks gave substantial impetus to Johannesburg share values, already buoyed by a stronger bullion price for gold.

The banks were somewhat higher despite an uncertain profits outlook. Barclays National, which led the one-point cut to a 16 per cent rate, added 25 cents to R15.50.

Of the gold heavyweights, Randfontein Estates improved R5.50 to R173.50 and Vaal Reefs R3 to R144.50. Mining financials followed in their wake, with Anglo-American 50 cents ahead at R22.70 and De Beers 15 cents at R9.05.

Large parcels changed hands in Anglos and in Sentrachem, the chemicals manufacturer, but brokers could give no specific explanation.

EUROPE

Confidence crosses the Atlantic

WALL Street's surge on Monday provided a boost for investors throughout much of Europe. As U.S. shares rose in very active European trading yesterday, a dealer at Lehman Brothers in London said investors were setting their sights at the 1,100 level on the Dow Jones industrial average.

The encouragement, which enhanced values of domestic stocks, stemmed from the more positive data emerging on the U.S. economy. Some bourses moved against the firmer trend, however, particularly Brussels and Madrid.

Amsterdam saw prices higher in a very active market and all indices achieved their highest level for this year. The ANP-CBS general index rose 1.20 points to an eight-year high of 111.

Dutch internationals were the weakest sector, as a result of the lower dollar, though Akzo and Hoogovens were Fl 1.20 higher each at Fl 45.50 and Fl 18 respectively. Royal Dutch, however fell 60 cents to Fl 98.90.

In the bond market prices rose 20 to 30 points on average in quiet trading.

Selective local and foreign interest left leading shares higher in **Zurich**. Among financials Oerlikon-Buehrle firmed SwFr 15 to SwFr 1,345 but in transports Swissair retreated SwFr 13 to SwFr 760. Banks remained irregular, thought with a firmer bias

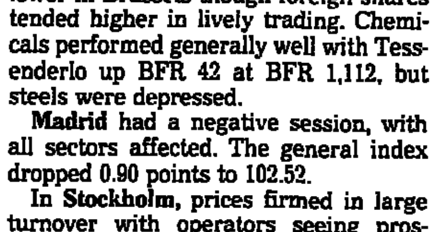
Among chemicals Ciba-Geigy rose SwFr 15 to SwFr 1,795 but Sandoz was off SwFr 125 at SwFr 4,800 and unofficially traded Hoffmann-La Roche lost SwFr 25 to SwFr 7,875. There too, bond market continued its steady trend and closed slightly higher in moderate volume.

In **Frankfurt**, the 100-share Frankfurter Allgemeine Zeitung index rose to a four-year high of 260.01 from Monday's 259.36. The Commerzbank index – computed in Düsseldorf – was at its highest since May 1979. It reached 779.9, up 0.8 from Friday, its last computed close.

The boost was aided by a stronger D-Mark and growing optimism that the conservative CDU and CSU parties will head the Government after the Federal elections on March 6.

Steel concern Klöckner-Werke remained a weak feature, falling DM 4.80 to a two-year low of DM 39 on continued uncertainty over its financial position. However, the company dismissed as speculation press reports that it could be facing liquidity problems in March.

A buoyant mood emerged in **Paris** as stocks advanced across a broad front in active trading. Stores were the best performers. Construction, engineering, hotel, electrical and chemical shares also gained ground.



Technical factors affecting monthly settlement operations boosted **Milan**, but buying initiatives from institutional investors also contributed.

Banks improved but major industrials were mixed, Olivetti gained L235 to L2,795 after reporting increased sales and predicting a rise in 1982 profits.

The Banca Commercial index finished up 1.4 at 202.01.

Domestic share prices closed slightly lower in **Brussels** though foreign shares tended higher in lively trading. Chemicals performed generally well with Tessenderlo up BFR 42 at BFR 1,112, but steels were depressed.

Madrid had a negative session, with all sectors affected. The general index dropped 0.90 points to 102.52.

In **Stockholm**, prices firmed in large turnover with operators seeing prospects of improved 1982 company results emerging from accounts published recently. Of the car makers Volvo gained SKr 2 to SKr 338 while Saab-Scania rose SKr 12 to SKr 269.

FAR EAST

A golden opportunity fades away

AFTER a strong advance, which took the Nikkei-Dow Jones market average 45.80 ahead at the end of the morning session, **Tokyo** gave up most of the improvement to close just 3.40 up on the day at 8,135.42.

The Stock Exchange index dipped 0.06 to 590.49 in trading volume of 620m shares. Mining issues surged, with Sumitomo Metal Mining up Y90 at Y 1,480 and Mitsui Mining and Smelting Y22 ahead at Y660.

Blue chips eased on concern over the high level of margin buying positions. International populars rose at the outset, in line with Wall Street's strong gains and the yen's firmness against the dollar, but eased later.

Computer-makers, steels, cars and drugs fell in light trading, but non-ferrous metals, shipping lines, electric power companies, property companies and textiles gained ground.

The advance for mines began after a Japanese press report that one of Sumitomo's mines contained more gold than expected, and at one stage the company's shares were Y160 up. The late afternoon fall from the day's high came after a Sumitomo denial of the report. Traders said that profit-taking pressure was also considerable.

Toyota finished unchanged at Y988 after a sharp early rise on the formal announcement that it is to produce cars jointly with General Motors in the U.S. Nissan eased Y3 to Y760.

Despite the firmer yen, oils fell on profit taking, with Nippon Oil losing Y35 to Y995. However, electric power companies were given a boost by the currency's gains, and Tokyo Electric added Y20 to Y1,100.

Domestic bond prices were slightly firmer, again as a result of the stronger yen, but trading was moderate with only a few buyers to be found.

NEW YORK STOCK EXCHANGE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
10⅝	5¼	AAR	.44	4.5	23	44	9⅞	9⅝	9⅝	
38	27½	ACF	2.76	8.4	9	1586	33¼	32¾	33	
21⅛	12¼	AMF	1.36	7.6	34	667	18¼	17¼	17⅞	−¼
25⅛	10⅝	AMR Cp				2367	21⅛	20¾	21	
12⅝	4	AMR	wt			448	10	9½	9⅝	−⅛
17⅞	12¼	AMR	pf2.18	13.		29	17½	17¼	17⅜	
28½	25⅛	AMR	pf2.13	8.3		182	26⅛	25⅞	25⅞	−⅛
5⅛	2½	APL			28	471	4⅞	4⅝	4⅞	+⅛
38	23½	ARA	2	5.4	11	1766	37¼	36⅝	36⅞	
79⅞	24½	ASA	3a	4.0		649	75½	74¼	74½	−⅞
27⅞	13⅝	AVX	.32	1.2	35	280	26⅞	24⅞	26¼	+⅛
41⅞	27	AbtLab	.84	2.2	16	1590	39⅛	38¼	38⅞	−½
23¼	15⅞	AcmeC	1.40	7.5	21	44	18⅞	18⅝	18⅝	
11½	5⅛	AcmeE	.32b	2.9	29	x148	11⅛	10⅞	11⅛	+½
10⅝	4⅛	AdmDg	.04	.4	11	125	9⅛	9⅛	9⅛	+⅛
17⅞	12½	AdaEx	1.73e	11.		71	16	15½	16	+⅛
9⅛	4⅝	AdmMl	.20g	2.6	10	x73	8	7¼	7¼	−⅛
17⅞	12⅞	Advest	s.16	1.0	11	117	17⅛	16⅛	16⅛	−⅛
39⅞	11⅛	AMD	s		57	2123	38	36¼	37⅞	+½
48¼	32⅞	AetnLf	2.52	6.9	8	2717	36⅞	36¼	36⅞	+⅝
65	52⅛	AetL	pf2.49e	3.9		1070	65	64¼	64⅛	+⅛
33⅝	8	Ahmns	.60	2.2		x194	27⅞	27⅛	27⅞	+½
4	2⅛	Aileen				108	3⅛	3½	3⅝	−⅛
46	23⅝	AirPrd	.80	1.8	13	2009	44⅞	44¼	44⅞	+⅛
20¼	8½	AirbFrt	.60	3.0	26	310	u21	20¼	20¼	+⅛
2⅞	2	AlMoa	n		4	236	2⅞	2½	2⅞	
31¼	24½	AlaP	pfA3.92	13.		10	31⅛	31	31	
7¼	5⅝	AlaP	dpf.87	12.		22	7⅛	7	7⅛	+⅛
70	54⅛	AlaP	pf 9	13.		z150	68½	68	68	−1½
94	73½	AlaP	pf 11	12.		z100	93¼	93⅛	93⅞	−⅞

Continued on Page 29

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 30

NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page 28

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
48½	24	Warnac	1 40	2.9	9	141	u48¾	48½	49	+¾
61	27	WmCm	1	3.2	7	3049	31½	30⅞	31¼	+½
31½	19⅝	WarnrL	1 40	4.6	14	1587	30⅞	30	30⅛	-½
31¼	24	WashGs	2 76	10	8	73	27	26¼	26⅜	
25½	14¼	WshNat	1 08	4.5	11	136	23¾	23½	23¾	+⅛
45½	28	WasN	pf2 50	5.8		5	43¾	43	43	-⅛
22⅞	17⅛	WshWt	2 48	11	7	245	u22½	22⅛	22⅜	+½
59	25½	Waste	52	.9	25	2069	u60¼	59⅝	60¼	+1⅞
66¾	21½	Watkn	48	.7	21	118	u66⅞	66	66⅞	+¾
11⅝	7¼	WayGos	20	1.7	9	91	11⅝	11⅜	11⅝	
23	15¼	WayG	pf1 60	7.1		7	22⅝	22½	22½	-⅛
5⅛	3½	WeanU				14	4½	4⅜	4½	-⅛

Continued on Page 30

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. *The high-low range begins with the start of trading.* nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-when distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

WORLD STOCK MARKETS

CANADA

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

HOLLAND (continued)

ITALY

NORWAY

SPAIN

SWEDEN

SWITZERLAND

HOLLAND

AUSTRALIA

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Barratt Dev	498	+ 4
Bowater	187	+ 7
Burmah Oil	134	+ 3
Carr Boyd	131	− 5
Glaxo	£13⅝	− ⅛
G. M. Kalgoorlie	810	+ 5
Kloof Gold	£34½	+ ⅞
London and Liverpool	573	+18
Macpherson (D.)	63	+ 8
Mellins	228	—
Polly Peck	£31	− 1¼
Pres Brand	£37⅞	+ 2½

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Mon. close	Day's change
Bio-Isolates	21	425	−10
Electro - Prtctv	18	224	− 2
Exco-Int	18	600	−10
Man Ship Crl	18	130	+40
Nrthn Gldsmths	16	165	+ 1
BAT Inds	15	715	− 5
London & Liv	14	555	−38
KCA Int	13	62	− 5
Davis (Godfry)	12	102	+11
Hawley Group	12	156	+11
Racal Elect	12	476	+ 2
Arlen Elec	11	363	+ 8
Automated Sec	11	445	− 8
BET Dfd	11	208	+ 8

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (212)

AMERICANS (12)
CANADIANS (3)
BANKS (2)
BREWERS (6)
BUILDINGS (16)
CHEMICALS (6)
DRAPERY & STORES (4)
ELECTRICALS (9)
ENGINEERING (2)
FOODS (2)
HOTELS (3)
INDUSTRIALS (20)
INSURANCE (7)
LEISURE (1)
MOTORS (4)
NEWSPAPERS (4)
PAPER (2)
PROPERTY (3)
SOUTH AFRICANS (2)
TEXTILES (5)
TRUSTS (60)
OIL & GAS (1)
OVERSEAS TRADERS (1)
PLANTATIONS (1)
MINES (36)

NEW LOWS (6)

ENGINEERING (2)
Brown (J.) Mining Supplies
INDUSTRIALS (1)
Zygal Dynamics
NEWSPAPERS (1)
Routledge Kegan Paul
OIL & GAS (1)
American Oil Fields
OVERSEAS TRADERS (1)
Nesco Invs.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27

For rate indications see end of Share Information Service

Stocks favoured for the call included Exco International, Ladbroke, Ladies Pride, Bowater, London and Liverpool, Grovebell, Vickers, Wearwell, Combined Technologies, GEC, Charterhall, Wheelock Marden, London Investment Trust, Trident TV, Cons Gold Fields, Polly Peck, Saxon Oil, Resource Technology, Barker and Dobson, Jove Investment Trust Capital and *Burmah*. No puts were reported, but doubles were arranged in Exco International, London Investment Trust, Wearwell, Combined Technologies and C. H. Bailey.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section. Tues Feb 15 1983: Index No., Day's Change %, Est. Earnings Yield % (Max.), Gross Div. Yield % (ACT at 30%), Est. P/E Ratio (Net); Mon Feb 14, Fri Feb 11, Thurs Feb 10, Wed Feb 9, Year ago (approx.): Index No.

FIXED INTEREST

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	81	10	7
Corpns. Dom. and Foreign Bonds	27	—	49
Industrials	287	255	791
Fin. and Props.	143	107	285
Oils	19	18	74
Plantations	2	1	19
Mines	78	17	54
Others	64	44	47
Totals	701	452	1,306

FINANCIAL TIMES STOCK INDICES

	Feb. 15	Feb. 14	Feb. 11	Feb. 10	Feb. 9	Feb. 8	year ago
Government Secs.	79.76	79.21	78.80	78.36	78.27	78.09	64.83
Fixed Interest	81.21	80.89	80.53	80.29	80.21	79.96	64.93
Industrial Ord.	661.9	660.7	662.5	654.8	656.0	649.4	567.2
Gold Mines	734.7	712.5	711.5	686.1	695.0	712.0	274.6
Ord. Div. Yield	4.63	4.63	4.61	4.66	4.71	4.74	5.50
Earnings, Yld.% (full)	9.99	9.98	9.95	10.04	10.10	10.15	9.75
P/E Ratio (net) (*)	12.05	12.06	12.09	11.98	11.90	11.83	13.42
Total bargains	24,018	26,128	24,085	25,007	23,082	26,276	18,549
Equity turnover £m.	—	196.81	233.54	257.81	239.82	207.46	120.24
Equity bargains	—	24,056	20,877	21,428	21,583	21,146	16,380
Shares traded (ml)	—	139.2	167.8	167.3	156.7	152.7	97.2

10 am 661.6. 11 am 661.2. Noon 660.3. 1 pm 659.2. 2 pm 659.7. 3 pm 660.1.

Basis 100 Govt. Secs. 16/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/56. SE Activity 1974.

Latest Index 01-246 8026.
*Nil = 11.27.

HIGHS AND LOWS

S.E. ACTIVITY

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low		Feb. 14	Feb. 11
Govt. Secs.	85.84 (3/11)	61.89 (5/1/82)	137.4 (9/1/35)	49.18 (3/1/75)	—Daily Gilt Edged Bargains	174.9	162.4

NEW YORK AND CANADA

Indices

NEW YORK — DOW JONES

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 29

NEW YORK CLOSING PRICES

Continued from Page 29

COMMODITIES AND AGRICULTURE

EEC faces sugar export row

BY LARRY KLINGER

THE European Commission's sugar management committee will today hold its weekly selling tender amid continuing disagreement over export policy.

Last week, the Commission was forced effectively to abandon the export sale of 41,000 tonnes of white (refined) sugar when a majority of EEC member-states blocked the commission's proposal since they wanted a larger quantity to be exported.

Talks were taking place in Brussels ahead of today's committee meeting in an effort to avoid a repetition of last week's unprecedented impasse.

Disagreement centres on the commission's attempts to maintain what it sees as a "prudent" export policy to back its diplomatic efforts to come to an arrangement with other exporting contries to strengthen the world market. This could be through participation in a new international sugar agreement.

The commission is keen to demonstrate EEC "responsibility" while trying to work out a new stocking policy. A scheme envisaging world sugar stocks of up to 6m tonnes is being considered within the community although it is far from decided. The EEC might contribute about 2m tonnes to such stocks.

However, given mounting EEC agriculture surpluses there is growing pressure within the majority of EEC member-states to sell more.

Feeling is running high among the exponents of greater exports such as France and Belgium. This was made clear by action—the first involving sugar in the 15-year history of the Common Agriculture Policy.

Our Commodities Staff writes: Prices dropped sharply on the London sugar futures market yesterday. The May position closed some £3 lower at £120.9 a tonne after trading at £124.5 at one stage.

Traders said speculative selling, after the recent rise in prices, brought the decline. There is uncertainty about the EEC selling tender. It is felt some sections of the commission favour boosting sales, following agreement that exports this season should be maintained at more than 5.25m tonnes and not cut to 4.9m tonnes.

Natural rubber advances in London

LONDON natural rubber traders were mostly at a loss yesterday to explain a 3p rise to 63p a kilo in the RSS No. 1 spot position on the physical market.

However, some thought the rise, fueled by heavy speculative buying, might have been prompted by reports of stronger consumer demand on the Tokyo market.

● **THAI** government agreed to pay the remaining 150m baht of its 530m baht contribution to the buffer stock of the International Natural Rubber Organisation, Agriculture and Co-operatives Ministry officials said.

● **DANISH** dockers returned to work in 16 ports yesterday as a 10-week strike over new unemployment pay rules for casual labour neared an end, Port authorities said. The strike disrupted bacon shipping.

● **WORLD** coconut oil supply and use is expected to rise, but it is unlikely the season's earlier declines will be offset, Hamburg-based weekly Oil World said.

● **WORLD** demand for grains is expected to continue to be weak this marketing year and U.S. wheat and feed grain exports are likely to be lower, the U.S. Agriculture Department said.

● **COCOA** prices fell again on the London futures market as the rise of sterling against the dollar encouraged further speculative selling. The May position ended £22.50 down at £1,308.50 a tonne, taking the fall on the week so far to £41.50.

● **SIR HENRY PLUMB**, former president of the National Farmers' Union, backed a call for improved conditions for farm animals. He urged greater EEC involvement in animal welfare.

Unctad fund looks set to be ratified

Brij Kindari looks at moves to revive depressed markets

AN INTERNATIONAL consensus is emerging to operate more quickly the $750m common fund whose creation was approved by both rich and poor nations two years ago. It was set up as part of a UN programme to stabilise commodity prices.

The fund has been ratified by only 40 countries instead of the 90 needed to make it operational. However, most delegates at a meeting of the commodity committee of the UN conference on trade and development in Geneva said the fund was needed to dampen severe export earnings shortfalls suffered by almost all Third World commodity exporters.

The U.S. appeared to be isolated in its opposition to the fund's early operation, while West Germany, Japan, Switzerland, Australia and other key western nations argued that restoring stability to commodity markets would help sustain both western and Third World economic recovery. There is growing optimism that the sixth major UN trade conference (Unctad) due in Belgrade next June will clear the last hurdles to the fund's establishment.

The U.S. still insists that commodity prices will revive automatically as western economies recover and that price fluctuations should be controlled through improved productivity rather than interference with markets.

Most other countries believe market forces alone cannot bring an upturn in prices. They feel that excess supplies must be taken off markets through buffer stocks and production controls to take advantage of any rise in demand as western economies recover. Failing that, prices may not rise sufficiently because of cut-throat competition among producers, some of whom would sell at any price because of their desperate need for export earnings.

The fund's first part containing $450m would be used only to finance buffer stock operations while the remainder would pay for export promotion and cost-cutting schemes. It would also help buffer stock managers to raise bank loans.

The fund is part of an Unctad programme aimed at creating international agreements for 18 major commodities.

A major advantage for Third World exporters of an international agreement for their commodity is that the buffer stock is paid for by both consumers and producers. The nearly 30,000-tonne stock of natural rubber and 50,000-tonne stock of tin would have been accumulated involuntarily by producers at their own cost while demand is depressed, had it not been for the agreements already in force for those commodities.

Australia, which gets about 40 per cent of its export income from commodities, is a strong fund supporter alongside developing countries. It argues that European protectionism combined with export subsidisation prevents world commodity markets from functioning properly.

Falling commodity prices have brought a $21bn cut in Third World export incomes. The terms of trade of non-oil producing developing countries with western nations worsened by 25 per cent between 1977 and 1980, forcing them to cut imports from the west which ran at a yearly rate of 6 per cent between 1973-78 by more than 3.5 per cent between 1980-1982.

Unctad estimates that without any remedial measures Third World export earnings will fall by nearly $61bn between 1980-85 with agricultural commodities accounting for 82 per cent ofthe total. It has suggested an emergency plan to create temporary commodity agreements to prevent prices from dropping below agreed floors.

Copper reaches three-year high

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER prices advanced to the highest levels for nearly three years on the London Metal Exchange yesterday.

The high-grade cash price closed £12 up at £1,089 a tonne and the market moved still higher in after-hours trading.

Traders said the rise reflected primarily the strong tone in New Yok, where buying was stimulated by hopes of a further cut in U.S. interest rates and the upward trend in gold and silver.

The Tennessee bank failure, and downward pressure on oil prices, further encouraged speculative interest.

In spite of a stronger pound in early trading, copper was boosted in London by some heavy buying of cathodes. Profit-taking sales caused the market to fluctuate during the day, but values ended near the highs.

Meanwhile U.S. producer, Asarco, announced another rise in its domestic selling price from 82 to 83 cents a lb.

The trend in copper boosted other base metals. Cash lead jumped by £9.75 to £301.25 a tonne on reported "computer" fund buying.

Speculative buying also pushed nickel up by a further £63.5 to £2,867.5 a tonne and cash aluminium broke through £800 for the first time since May 1980 closing £9 higher at £808 a tonne.

Although gold eased back in in afternoon trading on profit-taking after reaching a high of $512.50 an ounce, the rise in silver value was sustained. The bullion spot price for silver was lifted at the morning fixing by 24.6p to 947.55p an ounce—the highest level for 27 months—and increased to 950p by the afternoon close.

● The recent firmer trend in specialised metals is continuing, according to the latest weekly figures assessed by Metal Bulletin.

The Weekly Metals table below shows price rises for antimony, bismuth, cadmium, cobalt, molybdenum, selenium, tungsten and vanadium. Mercury prices, however, eased slightly.

Buying interest in these metals has been stimulated by hopes of a recovery in demand and recent reports of the UK creating a strategic stockpile, although it is believed most of the British Government purchases have already been completed.

Cattle-smuggling solution sought

BY BRENDAN KEENAN IN DUBLIN

MORE THAN 100,000 cattle may have been smuggled across the border between Northern Ireland and the Irish Republic in 1981.

A study just published blames the operation of the EEC Common Agricultural Policy (CAP) for such trade distortions.

The EEC's monetary compensatory amount (MCA) system and the UK's variable premium scheme are particularly at fault, according to Mr Desmond Norton, a lecturer in political economy at University College, Dublin.

Cattle draw an MCA subsidy by crossing from south to north: they are then smuggled south again to avoid MCA taxes and draw a further subsidy by repeating the journey.

The Irish border has hundreds of crossing points where these trips, known as "carousels," take place.

Such journeys are not confined to cattle. In 1981, the price of Irish lamb on the French market fell because so many animals were out of condition from repeated journeys across the border.

The British Government introduced a subsidy for the Northern Ireland meat industry in 1975 to protect factories when the incentive was to smuggle southwards. But the Republic's industry got no such protection when the rise in sterling from 1979 reversed the flow.

Irish exporters have also complained that the British variable premium discriminates against their industry. Mr Norton believes the solution is to abolish the Green currency system which gives rise to MCA. This, he said, would lead towards a real common market in agricultural produce.

**Ireland, the CAP, Trade Distortion and Induced Smuggling Activity, 1974-1981, European League for Economic Co-operation, price I£20.*

Soviet buyers ignore EEC butter offer

By Larry Klinger in Brussels

THE OFFER to reopen large-scale subsidised sales of EEC butter to the Soviet Union has again failed to attract bidders for the third month running.

This puts the European Commission under further pressure to relax conditions on such sales to dispose of the EEC's growing dairy surpluses.

It is unlikely the commission will relax conditions immediately, but officials said yesterday the situation would have to be reviewed soon. The commission had invited tenders for up to 25,000 tonnes of surplus butter.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 15 1983	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£815/815
Free Mkt	$1245/1275	+40	$1075/105
Copper			
Cash h grade	£1089	+12	£1003.75
3 mths	£1121.75	+13.5	£1034.75
Cash Cathode	£1071.75	+12.5	£959.25
3 months	£1098	+14.5	£999.5
Gold troy oz	$507.5	+5.25	$485
Lead Cash	£301.25	+9.75	£300.75
3 months	£313.75	+11.37	£312.75
Nickel	£4584	......	£4584
Free mkt	200.230c	+7	175/285c
Palladium	$186.75	+1	‡
Platinum	£311.15	+1.05	£294.05
Quicksilver†	$535.545		$540.550
Silver troy oz	947.55p	[illegible]	[illegible]
3 mths	971.90p	[illegible]	[illegible]
Tin cash	£8505	—14.5	£7622.5
3 month	£8490	+12.5	£7605.5
Tungsten	$78.78	......	$92.25
Wolfrm 22.04 lb	$80.85	......	$78.82
Zinc Cash	£442.75	+5	£447
3 mths	£458.25	+2	£461.875
Producers	$750-800	......	$800

	Feb. 15 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$465z	+2.5	$455
Groundnut	$450z	......	‡
Linseed Crude	£310	......	£316
Palm Malayan	$380x	+2.5	$385
Seeds			
Copra Philip	$310z	......	$305
Soyabean (U.S.)	$248	+2	$242
Grains			
Barley Fut. May	£119.30	—0.55	£115.75
Maize	£149.00	+2	£146.00
Wheat Fut. May	£131.10	—1.45	£125.10
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1336	—23	£1246.5
Fut. May	£1308.5	—22	£1214.5
Coffee Ft. May	£1659.5	—6.5	£1631
Cotton A. Index	73.90c	......	72.05c
Gas Oil Mar	$246.5	—1	$272.25
Rubber (kilo)	63p	+3	54p
Sugar (Raw)	£112z	—1	£99
Wool'tps 64s	402p kilo	......	385p kilo

‡ Unquoted. w March. x April. z Feb-March. † Per 76-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.50-29.75	—0.10
Iranian Light	28.80-28.80	—
Arabian Heavy	27.80-27.80	—
North Sea (Forties)	29.00-29.10	+0.05
North Sea (Brent)	29.10	+0.05
African Bonny Lt'ht	29.80-30.05	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	267-270	—
Gas oil	249-254	+3.0
Heavy fuel oil	153-157	+3.5

GAS OIL FUTURES

Continuing strength in physicals brought futures in around unchanged despite a weaker New York close. The market traded steadily in a narrow range until U.S. selling pushed prices to the lows. The market later moved up to close in the middle of the range, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Feb	250.00	—1.75	253.75-48.50
March	246.50	—1.80	247.75-44.80
April	238.50	—2.00	240.50-37.80
May	234.25	—2.50	237.00-33.50
June	234.00	—3.80	238.00-33.00
July	234.50	—5.50	238.75-34.50
Aug	237.00	—4.00	237.80
Sept	239.00	—4.00	242.00-39.00
Oct	240.50	—4.50	—

Turnover: 3,219 (2,660) lots of 100 tonnes.

GOLD MARKETS

Gold rose $5¼ an ounce from Monday's close in the London bullion market yesterday to finish at $507-508. It opened at $512-513 but failed to hold the firmer trend and drifted gently towards its closing level on small profit-taking. The market was also a little uncertain ahead of today's testimony to Congress by Federal Reserve chairman Paul Volcker.

In Frankfurt the 12½ kilo bar was fixed at DM 39,420 per kilo ($512.02 per ounce) against DM 38,995 ($501.25) and closed at $510½-511½ *from* $501-502.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $510.75 against $505.0 previously.

In Paris the 12½ kilo bar was fixed at FFr 112,000 per kilo ($512.77 per ounce) in the afternoon compared with FFr 112,000 ($512.70) in the morning and FFr 111,000 ($503.38) on Monday afternoon.

In Zurich gold finished at $508-511 from $499-502.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
February	506.00-09.0	+3.500	511.00
March	509.00-11.8	+4.250	513.00-12.8
April	512.70-13.0	+2.450	518.50-12.5
May	516.50-19.0	+3.350	—
June	521.00-22.0	+3.650	526.00-22.4
July	524.00-26.0	+3.250	529.00
August	526.00-30.0	+2.000	534.00

Turnover: 1,046 (349) lots of 100 troy ounces.

	Feb. 15		Feb. 14	
Gold Bullion (fine ounce)				
Close	$507-508	(£328¾-329½)	$501¾-502¾	(£326-326¾)
Opening	$512-513	(£330¾-331½)	$500½-501½	(£326¼-327)
Morning fixing	$511.50	(£330.426)	$500.50	(£325.698)
Afternoon fixing	$509.85	(£328.824)	$500.50	(£325.275)

Gold Coins Feb. 15

Krugrnd	$532½-533½	(£339-339¾)	King Sov	$120½-122	(£78-79)
½ Krg	$269½-270½	(£174¾-175½)	Victoria Sov	$120½-122	(£78-79)
¼ Krg	$137¼-138¼	(£89-89¾)	French 20s	$106¼-108¼	(£69-70¼)
1/10 Krug	$56-57	(£36¼-37)	50 pesos Mex	$614-617	(£398¼-400¼)
Mapleleaf	$520½-522	(£337¾-338¾)	100 Cor. Aust	$496-501	(£321½-325)
New Sov	$119-120¼	(£77¼-78)	$20 Eagles	$615-625	(£399-405¼)
½ New Sov	$70¾-72¼	(£45¾-47¼)			

EUROPEAN MARKETS

ROTTERDAM, February 15

Wheat—(U.S. $ per tonne): U.S. No Two Red Winter March 161, April 163, May 164, June 156, July 156. U.S. No Three Amber Durum April/May 170, June 171, July 170.50, Aug 172, Sept 175. U.S. No Two Northern Spring 14 per cent April/May 173, June 171, July 172, Aug 173, Sept 174. Canadian Western Red Spring April/May 187.

Maize—(U.S. $ per tonne): U.S. No Three Yellow Spot 135, afloat 135, Feb 135, March 133, April/June 135, July Sept 137, Oct/Dec 134.50, Jan/March 141 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 210-210.50d, April 215, April/Sept 219-219.50 traded; afloat 211.50, Feb 214, March 215, April 216, April/Sept 220, Nov/March 233.50 sellers. Pellets Brazil Feb 230, March 229, April 238, April/Sept 228 sellers.

PARIS, February 15

Cocoa—(FFr per 100 kg): May 1435-1440, July 1435 bid, Sept 1485-1500, *Dec 1475-1500, March 1475 bid.*

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Feb 240, March 242.25, April 244.75, May 247, June 249.75, July 252.50, Aug 254.75, Sept 255.25, Oct 253.10, Nov 253.10, Dec 257.75, Jan 262.25, Feb 268.25 sellers.

Sugar—(FFr per tonne): March 1490-1504, May 1567-1569, July 1605-1615, Aug 1677-1685, Oct 1705-1720, Nov 1705-1720, Dec 1765-1771, March 1865-1875.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES gained further ground on the London Metal Exchange, led by **COPPER** which moved up to £1,125 before closing at £1,118.5 *reflecting the strength of precious* metal prices coupled with chartist buying interest. Computer buying lifted **LEAD** to £314.5 prior to a close of £312.25 while **ALUMINIUM** was finally £830 and **NICKEL** £2,940.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	1090.5-1	+28.5	1088.5-9.5	+12
3 months	1122-3	+26.7	1121.5-2	+13.5
Settlem't	1091.5	+28.5	—	......
Cathodes				
Cash	1073-4	+28.5	1070-2	+12.5
3 months	1103-4	+33	1098-100	+14.5
Settlem't	1074	+29.5	—	......
U.S. Prod.	—	—	*79-83	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,120, 19, 18, 17, 16, 17, 18, 19, 20, 21, 22, 23, 22.50. Cathodes: Cash £1,073, three months £1,099, 11, 01, 02, 03. Kerbs: Higher Grade: Three months £1,126, 25.50, 24, 23. Afternoon: Three months £1,118, 18.50, 19, 19.50, 21, 21.50. Kerbs Higher Grade: Three months £1,123, 23.50, 23, 22, 21, 20.50, 20, 19, 18, 17, 17.50, 18. Turnover 4,502 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	8520-30	+56	8500-10	—14.5
3 months	8500-10	+47.5	8485-95	—12.5
Settlem't	8530	+55	—	......
Standard				
Cash	8517-20	+51	8500-10	—14.5
3 months	8495-500	+48.5	8485-95	—12.5
Settlem't	8520	+50	—	......
Straits E.	$29.36	—	......	
New York				

Tin—Morning: Standard: Cash £8,520, 10, 15, three months £8,510, 15, 10, 05, 8500, 10, 8,500, 8,490, 8,500, 8,490, 8,500. Standard: Kerbs, £8,500, 8,494. Afternoon: Standard, Three months £8,490, 85. Kerbs: Standard, Three months £8,485, 75, 70, 60, 55. Turnover 2,350 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	299-.5	+8.2	301-.5	+9.75
3 months	310-11	+9.87	313.5-4	+10.3
Settlem't	291	+8	—	......
U.S. Spot	299.5	+8.5	*20.5-4	......

Lead—Morning: Cash £300, 300.50, three months £308, 08.50, 09, 09.50, 10.50, 11, 17.50, 11, 10.50. Kerbs: Three months £312, 12, 12.50. Afternoon: Cash £301, three months £312, 12.50, 13, 13.50, 13, 14.50, 14, 13, 13.50. Kerbs: Three months £313.50, 14, 14.50, 14, 13, 13.50, 13, 12, 12.50. Turnover 10,900 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	443.5-4	+5.25	442.5-3	+1.25
3 months	458-.5	+4.75	458-.5	+2
Settlem't	444	+5	—	......
Primw'ts	—	......	*40-.75	......

Zinc—Morning: Cash £443, 44, three months £460, 60.50, 60, 59, 59.50, 59, 58.50, 58. Kerbs: Three months £460, 59.50. Afternoon: Cash £443, 43.50, three months £460, 59.50, 59, 58.50, 58, 58.50, 59, 58.50, 58. Kerbs: Three months £458, 58, 57, 56, 55, 54. Turnover 23,650 tonnes.

ALUMINIUM

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	805.5-6.5	+20	807.5-8.5	+9
3 months	831.5-2	+20.5	834-.5	+10

Aluminium—Morning: three months £830, 28, 27.50, 28, 29, 30, 30.50, 31, 31.50. Kerb: three months £833, 34, 35. Afternoon: three months £829, 30, 31, 32, 33, 32.50, 33, 33.50, 34. Kerb: three months £834, 33, 32, 31, 30, 29.50, 29, 28, 29, 29.50, 30. Turnover 16,750 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2840.50	+77.5	2865-70	+53.5
3 months	2905-10	+87.5	2925-30	+68

* Cents per pound. ‡ MS per kilo. † On previous unofficial close.

Nickel—Morning: three months £2,900, 10, 11, 20, 15, 10, 05. Kerb: three months £2,910, 15, 20. Afternoon: Cash £2,870, three months £2,920, 30, 33, 30, 35, 30. Kerb: three months £2,925, 30.

SILVER

LME—Turnover 85 (88) lots of 10,000 ozs. Morning: Three months 972.0, 973.0, 974.0, 973.0, 973.5, 973.0, 972.5. Kerb: three months 972.0. Afternoon: three months 970.0, 970.5, 975.0, 975.5, 975.0, 974.5, 974.0. Kerb: three months 974.0, 973.5, 973.0, 972.5.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	947.55p	+24.6	949.5p	+24.5
3 months	971.90p	+25.9	974.75p	+26.5
6 months	995.10p	+24.9	—	......
12 months	1048.00p	+27.2	—	......

Silver was fixed 24.6p an ounce higher for spot delivery in the London bullion market yesterday at 947.55p. U.S. equivalents of the fixing levels were: spot $14.668, up 49.6c; three-months $14.981, up 51.9c; six-month $15.302, up 50.3c; and 12-month $16.089, up 54.7c. The metal opened at 953-956p ($14.75-14.80) and closed at 948½-951½p ($14.63-14.68).

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse 1980-2100.

BISMUTH: European free market, min 99.99 per cent, $ per pound, tonne lots in warehouse 1.49/1.70.

CADMIUM: European free market, min 99.95 per cent, $ per pound, in warehouse, ingots 0.83/0.93, sticks 0.86/0.96.

COBALT: European free market, 99.5 per cent, $ per pound, in warehouse 5.10/5.40.

MERCURY: European free market, min 99.99 per cent, $ per flask, in warehouse 333/345.

MOLYBDENUM: European free market, canned molybdic oxide, $ per pound Mo, in warehouse 3.15/3.40.

SELENIUM: European free market, min 99.5 per cent, $ per pound, in warehouse 3.25/3.60.

TUNGSTEN ORE: European free market, standard min 65 per cent, $ per tonne unit WO₃, cif 78/82.

VANADIUM: European free market, min 98 per cent V₂O₅, other sources, $ per pound V₂O₅, cif 1.60/2.00.

Producer list price for selected metals as recorded in Metal Bulletin

ALUMINIUM: World: virgin ingots Alcan, min 99.5 per cent, $ per tonne, cif Hong Kong and Rotterdam 1,750.

BISMUTH: UK: MCP-Peko, 99.99 per cent, $ per pound, tonne lots, ex-warehouse 2.30.

COBALT: World, Zaire: Sozacom, $ per pound 12.50.

NICKEL: World, Inco, melting grade, $ per pound, cif Far East and America, delivered rest of world 3.20.

URANIUM: Nuexco exchange value, $ per pound U₃O₈ 21.50.

VANADIUM: Highveld fused min 98 per cent V₂O₅, $ per pound V₂O₅ cif 2.40.

ZINC: GOB producer basis, $ per tonne 750.

COCOA

A failure to reach tne dues was followed by active selling and then a recovery at the end of the day. Apart from second-hand cocoa bean trading for nearby positions the physical market was relatively quiet, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1285-87	—23.5	1295-70
May	1308-09	—22.0	1318-95
July	1323-24	—22.5	1332-11
Sept	1332-35	—23.5	1340-20
Dec	1338-40	—27.0	1349-38
March	1351-53	—30.0	1368-50
May	1362-68	—24.0	1375-63

Sales, 8,146 (5,840) lots of 10 tonnes. ICCO—Daily price for Feb 15: 88.81 (88.89). Indicator price for Feb 16 89.16 (89.44).

COFFEE

In quiet conditions trade buying encouraged a slightly steadier opening, reports Drexel Burnham Lambert. Values remained in a narrow range before dealer selling pushed them to the lows.

COFFEE	Yest'day's Close	+ or —	Business Done
March	1727-29	+4.0	1735-26
May	1658-60	—6.5	1672-59
July	1556-59	—7.5	1565-60
Sept	1490-95	—5.0	1500-90
Nov	1448-49	—2.0	1450-49
January	1410-21	+3.0	1415
March	1390-95	—10.0	—

Sales: 1,999 (2,586) lots of 5 tonnes. ICO Indicators price for Feb 14 (U.S. cents per pound): Comp. daily 1979 125.38 (125.47); 15-day average 124.90 (124.92).

GRAINS

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Mar	128.80	—1.65	117.60	—0.15
May	131.10	—1.45	119.30	—0.05
July	135.50	—1.46	—	......
Sep	117.80	+0.20	110.00	+0.58
Nov	119.90	......	113.55	+0.40
Jan	123.45	+0.15	116.80	+0.58

Business done—Wheat: March 130.35-128.80, May 132.40-131.10, July 134.60-133.30, Sept 117.50-117.30, Nov 120.30-119.90, Jan 123.60 only. Sales: 240 lots of 100 tonnes. Barley: March 118.00-117.50, May 119.70-119.30, Sept 110.10-110.00, Nov 113.65-113.25, Jan 116.85-116.70. Sales: 184 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: S East 116.70, S West 117.00, W Mids 115.40, N West 114.30. The UK monetary coefficient for the week beginning Monday February 21 (based on HGCA calculations using 5 days exchange rates) is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent March 132.7, April/May 121.75, June 122.00 trans-shipment East Coast sellers. English feed fob Feb and March 132.75, April/May 121.75, June Coast sellers. Maize: French Feb 149.00 trans-shipment East Coast seller. South African white/yellow March/April 97.50 seller. Barley: English feed fob end Feb/early March 121.50 paid East Coast. Rest unquoted.

POTATOES

The market was quiet during the morning but heavy selling emerged before light profit-taking at the call moved prices just off the lows, reports Cole and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
April	77.90	79.10	78.20-77.50
May	84.60	85.80	85.40-84.50
Nov	67.70	67.50	69.00
Feb	76.80	76.50	—

Turnover: 432 (324) lots of 40 tonnes.

RUBBER

The London physical market opened steadier, attracted speculative buying in fine with the Japanese market and closed firm. Lewis and Peat reported a March fob price for No. 1 RSS in Kuala Lumpur of —— (212.5) cents a kg and SMR 20 —— (189.0).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Mar	624-625	596-604	624-600
Apr	633-636	606-613	625-622
Apl-Jne	644-645	615-618	644-626
Jly-Sept	670-671	640-641	671-640
Oct-Dec	690-692	660-661	690-660
Jan-Mch	712-713	682-684	712-699
Apl-Jne	734-735	705-707	734
Jly-Sept	757-758	729-730	757-755
Oct-Dec	779-780	753-755	779

Sales: 838 (173) lots of 15 tonnes, 34 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were spot 63.00p (60.00p); March 64.75p (62.75p); April 65.75p (63.75p).

SOYABEAN MEAL

The market opened unchanged in mixed trade, reports T. G. Roddick. Prices stayed in a narrow range with active trade house participation.

	Yesterd'y's Close	+ or —	Business Done
	£ per tonne		
Feb	142.00	......	......
April	148.00-49.4	—0.05	148.30-48.00
June	148.00-48.5	+0.10	148.20-48.10
August	149.00-49.4	—0.10	148.20-49.00
October	152.70-53.0	—0.80	152.50
Dec	156.50-56.6	+1.10	156.50-56.00
Feb	161.00-62.0	+1.25	—

Sales: 286 (245) lots of 100 tonnes.

SOYABEAN OIL—The market opened slightly higher and firmed on stronger cash values. Close (U.S. $ per tonne): Feb 402.00, 405.00, untraded: April 416.50, 417.50, 417.00; June 430.00, 431.00, 431.00; Aug 438.00, 441.00, untraded: Oct 443.00, 452.00, untraded; Dec 450.00, 463.00, untraded: Feb 400.00, 475.00, untraded Sales: 20 (5) lots of 25 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business). New Zealand cents per kg. March 356, 358, nil; May 367, 369, 367; Aug 390, 392, nil; Oct 400, 410, nil; Dec 405, 410, 406; Jan 408, 412, nil; March 416, 425, nil; May 425, 429, nil; Aug 435, 443, nil. Sales: 27.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 542.5, 543.0, 544.0-542.0; May 561.5, 562.0, 562.0-561.8; July 572.0, 573.0, 573.0-0.45-0.55; Oct 557.0, 557.0, 557.0-556.4; Dec 561.0-561.8, untraded; March 570.0, 571.9, 570.0; May 577.0, 580.0, untraded: July 588.0, 590.0, 590.0. Sales: 106.

SUGAR

LONDON DAILY SUGAR—Raw sugar £112.00 (£113.00) a tonne cif Feb-March shipment. White sugar £140.00 (same).

Reports that 100,000 tonnes of EEC whites had been taken up under the automatic scheme kept the market steady at the lower levels, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	117.65-17.70	121.20-21.25	121.25-16.25
May	120.80-21.05	124.10-24.25	124.50-18.75
Aug	129.50-29.40	132.55-32.50	132.75-26.25
Oct	135.55-35.70	138.75-38.88	138.75-34.50
Dec	140.10-42.00	144.00-45.00	141.00
March	149.75-50.75	152.50-53.50	—
May	152.25-55.00	156.50-57.50	—

Sales: 2,774 (4,633) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £218.00 (£219.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Feb 14: Daily price 6.69 (6.55): 15-day average 6.35 (6.30).

INDICES

FINANCIAL TIMES

Feb. 14	Feb. 11	M'th ago	Y'ar ago
258.26	256.73	250.00	249.09

(Base: July 1 1952=100)

REUTERS

Feb. 15	Feb. 14	M'th ago	Y'ar ago
1687.1	1679.1	1620.6	1621.9

(Base: September 18 1931=100)

MOODY'S

Feb. 14	Feb. 11	M'th ago	Y'ar ago
1060.1	1078.0	1053.6	1009.2

(December 31 1931=100)

DOW JONES

Dow Jones	Feb. 14	Feb. 11	Month ago	Year ago
Spot	148.74	147.70	143.36	128.86
Fut'rs	153.67	152.26	148.22	136.19

(Base: December 31 1974=100)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 60 tonnes. Minor contracts were under review but support was mentioned in North and South American styles.

MEAT/FISH

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £4.00-4.80, codlings £4.00; large haddock £4.00-4.20, medium £3.70, small £2.20-2.80; best small plaice £4.00-4.50; saithe £2.10-2.40.

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 80.0 to 84.6. Veal: Dutch hinds and ends 135.0 to 138.5. Lamb: English small 84.0 to 90.0, medium 81.0 to 87.0, heavy 76.0 to 79.0; Scottish heavy 74.0 to 78.0; Imported: New Zealand PL 50.0 to 50.5, PM 48.5 to 49.0, YL 48.0 to 49.0. Pork: English, under 100 lb 36.5 to 50.0, 100-120 lb 41.5 to 49.0, 120-160 lb 34.0 to 46.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 93.38p per kg lw (−1.14). GB—Sheep 191.48p per kg est dcw (+4.38). GB—Pigs 64.00p per kg lw (+1.29).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Satsumas—Spania: 10-kg 3.80-4.50. Minneolas—Jaffa: 4.80-5.30 *according to size.* Oranges—Spania: Navels 3.80-5.60; Jaffa: Shamouti 60 5.10, 50 5.40, 60 5.75, 75 5.85, 88 5.95, 105 5.60, 123 5.50, 144 5.30, 168 5.10; Moroccan: Navels 3.80-5.00. Sevilles—Spanish: 40-lb 4.00. Lemons—Turkish: 80/150 3.50-4.00; Cyprus: 9-kg 2.50-3.80; Spania: tray 5-kg 25/50 1.80-2.40; Jaffa: 42/49 2.00-2.30. Grapefruit—Cyprus: 27/56 2.80-4.00; Jaffa: 32 4.75, 36 4.85, 40 5.00, 48 5.10, 56 4.30, 64 3.90, 75 3.75, 88 3.40, Ruby 3.50-5.50; U.S.: Ruby 8.50-9.00 according to size. Apples—French: 18-kg Golden Delicious 5.00-7.00, Starkcrimson 4.00-6.50, Granny Smith 5.50-7.50; U.S.: Red Delicious 9.50-12.50; Canadian: Red Delicious 8.50-12.50. Pears—Cape: Williams Bon Chretien 33-lb 6.60-7.50; Dutch: Comice 14-lb 3.85-4.20, Conference 12-kg 6.60; Italian: Passacrassana 12/14-lb, per pound 0.14-0.18. Peaches—Cape: 3.50-4.50. Nectarines—Chilean: single-layer trays 9.00; Cape 5.00-6.00. Sharon Fruit—Israeli: 3.00-3.20. Grapes—Cape: Sultana 10.50-11.00, Dan Ben Hannah 7.50-8.00, Alphonse 9.00; Brazilian: Italia 11 lb 10.00; U.S.: Red Emperor per pound 0.45-0.55. Strawberries—Israeli: 8-oz 0.70; Spanish: 8-oz 0.70; U.S.: 12-oz 1.40. Plums—Cape: Gaviota 3.00-5.00, Eldorado 2.50-4.00, Ruby Nel 3.00-4.00, Harry Pickstone 2.50-5.00, Red Sun 2.50-4.00. Melons—Cape: white 6.50-7.00, yellow 7.20-8.00; Spanish: green 15-kg 14.00-15.00; Brazilian: yellow 10-kg 7.00-8.00, 6-kg 5.00-5.50. Pineapples—Ivory Coast: 20s 0.40, 12s 0.55, 12B 0.75, 8s 1.00; Ghanaian: each 0.90-1.20 according to size; Kenyan 8s 1.30-1.50. Bananas—Colombian: 40-lb boxes 9.40-9.60. Avocados—U.S.: 6.50-7.00; Israeli: 2.40-3.80; Canary: 4.50-5.20. Paw Paws—Brazilian: 7.00-7.50. Kiwifruit—New Zealand: 8.00-8.50; U.S.: 7.50-8.00. Mangoes—Brazilian: 6.00-6.50; Kenyan: 6.00; S. African: 5.50-6.50. Litchees—S. African: per pound 0.70-0.90. Asparagus—U.S.: per pound 2.50-3.00. Fennel—Italian: 20-lb 4.50-6.00. Sugar Peas—Moroccan: 7-lb 5.00, U.S.: 10-lb 12.00. Calabrese—Italian: 10-lb 3.00-3.50. Endive—French: 6.00. Tomatoes—Spanish: 6-kg 1.50-2.50; Canary: 1.50-3.60. Lettuce—Dutch: 24's 4.40-5.50. Celery—Spanish: 5.00-6.00; Italian: 5.50-6.00; Israeli: 6.50. Artichokes—Egyptian: 24's 6.00; Spanish: 34's 6.00. Aubergines—Canary: 5-kg 5.50. Onions—Spanish: Grano 5.50-6.00. Capsicums—Canary: green 4.50, red 5.50-6.00; Israeli: red 6.00-6.50. Cabbages—Dutch: red 3.00-3.20, white 2.60-2.80. Courgettes—Kenyan: 6-lb 3.00-3.50; Spanish: 11-lb 3.00-3.50. Cucumbers—Canary: 2.50-5.40; Dutch: 6.00. Chicory—Belgian: 6-lb 1.80-2.20. Potatoes—Egyptian: Alatra 44-lb 4.70.

AMERICAN MARKETS

NEW YORK, February 15.

Precious metals rallied on the concern about the failure of a bank in Tennessee and on a lower Federal fund rate; profit-taking on the close ahead of Volcker's testimony before the Congress resulted in most of the gains being dissipated. Copper continued to respond to technical buying and massive short-covering: commission houses were active buyers ahead of the housing starts report. Heating oil finished slightly lower as whole cuts in products produced a negative sentiment. Sugar rallied to new contract highs after early profit-taking and selling was well absorbed: the failure of the market to react further on the downside triggered local short-covering. Cocoa prices were fractionally lower despite trade reports of actual damage to West Africa being heavier than currently reported. Coffee prices sold off on moderate pressure as the trade was uncertain whether the anticipated reduction in the quota would be implemented. The gain and soybeans ran into profit-taking which accelerated before the close: country marketings were somewhat better attracting commercial hedging and professional selling, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	1806	1845	1803	1833
May	1865	1906	1862	1880
July	1888	1920	1885	1910
Sept	1902	1927	1900	1925
Dec	1941	1941	1915	1941
March	1956	1956	1945	1961

COFFEE "C" 37,000 lb; cents/lb

	Close	High	Low	Prev
March	126.38	127.10	126.05	126.86
May	120.13	122.00	120.05	121.39
July	118.55	120.00	118.30	119.61
Sept	116.85	117.90	116.45	117.50
Dec	114.05	115.25	113.75	114.50
March	111.50	112.00	111.15	111.75
May	109.50	110.00	108.80	109.75
July	108.50	108.50	107.50	108.00

COPPER 25,000 lbs, cents/lbs

	Close	High	Low	Prev
Feb	77.80	77.00	77.00	76.80
March	78.20	78.30	77.35	77.25
April	78.95	79.00	78.60	78.00
May	79.70	79.75	78.85	78.70
July	81.20	81.30	80.30	80.15
Sept	82.35	82.40	81.55	81.30
Dec	84.400	84.20	83.00	82.90
Jan	84.55	84.20	84.10	83.45
March	85.60	85.50	84.75	84.50
May	86.70	86.90	85.90	85.60

COTTON 50,000 lb, cents/lb

	Latest	High	Low	Prev
March	66.25	66.35	65.91	66.95
May	67.80	67.80	67.39	67.39
July	69.00	69.00	68.57	68.55
Oct	67.50	67.73	67.45	67.40
Dec	68.00	68.00	67.68	67.72
March	69.20	69.50	69.10	69.15
May	70.30	70.30	70.30	70.00

GOLD 100 troy oz; $/troy oz

	Close	High	Low	Prev
Feb	505.8	514.0	505.0	507.4
March	507.3	513.5	507.3	510.0
April	511.5	520.0	511.0	514.2
June	519.2	528.0	518.5	521.9
Aug	527.5	536.0	527.5	530.2
Oct	536.0	544.5	538.7	538.7
Dec	544.7	553.5	545.0	547.4
Feb	553.5	561.0	555.0	556.2
April	562.5	571.5	565.3	565.2
June	571.6	578.0	578.0	574.3
Aug	580.9	—	—	583.6
Oct	590.5	597.0	592.0	593.2
Dec	600.2	608.0	603.0	602.9

HEATING OIL 42,000 U.S. gallons; cents/U.S. gallons

	Close	High	Low	Prev
March	76.58	76.90	76.10	76.74
April	73.13	73.40	72.60	73.50
May	71.89	72.30	71.65	72.41
June	72.02	72.40	71.65	72.48
July	72.00	72.50	72.00	72.75
Aug	72.60	73.20	72.25	73.30
Sept	73.80	74.40	74.05	74.50
Oct	75.25	76.00	76.40	75.50
Nov	76.30	77.00	76.75	77.00
Dec	77.30	78.00	77.70	77.90

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	479.2	—	—	485.4
March	481.7	489.0	482.0	487.9
April	484.2	496.5	483.0	490.4
July	489.2	500.0	487.0	495.7
Oct	496.2	506.5	496.0	503.1
Jan	503.7	515.0	505.0	511.1
April	511.2	525.0	518.5	519.1

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Feb	1466.3	1474.0	1471.0	1465.6
March	1470.0	1493.0	1464.0	1470.0
April	1482.0	1503.0	1476.0	1402.0
May	1495.0	1518.0	1489.0	1494.3
July	1520.0	1543.0	1515.0	1518.6
Sept	1545.0	1580.0	1545.0	1542.9
Dec	1582.5	1607.0	1578.0	1579.4
Jan	1605.0	1605.0	1605.0	1591.9
March	1625.0	1640.0	1623.0	1615.9
May	1675.0	1675.0	1645.0	1639.0

SPOT PRICES—Chicago loose lard 16.75 (16.50) cents per pound. Handy and Harman bullion silver 1463.0 (1450.0) cents per troy ounce. New York tin 805.0-08.0 (805.0-10.0) cents per pound.

SUGAR WORLD "11" 112,000 lbs, cents/lbs

	Close	High	Low	Prev
March	7.09	7.11	6.89	6.96
May	7.9	7.29	7.13	7.79
July	7.65	7.65	7.50	7.51
Sept	8.00	8.00	7.88	7.83
Oct	8.28	8.28	8.11	8.11
March	9.28	9.28	9.13	9.13
May	9.50	9.50	9.40	9.46
July	9.73	9.86	9.66	9.70

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.00	63.35	62.55	62.92
April	63.90	64.15	63.30	63.47
June	64.97	65.00	64.50	64.45
August	63.72	63.80	63.27	63.02
Oct	61.77	62.15	61.50	61.27
Dec	62.90	62.90	62.55	62.32

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	60.02	60.07	59.15	59.35
April	54.70	54.75	53.82	54.32
June	56.10	56.15	56.10	55.67
July	55.82	55.85	55.07	55.27
August	53.80	54.10	53.60	53.70
Oct	49.82	49.95	49.75	49.62
Dec	49.55	49.60	49.25	49.50
Feb	48.90	48.90	48.90	48.55
April	47.60	47.75	47.60	47.75

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	278.2	280.6	277.4	279.6
May	288.2	290.6	287.6	289.5
July	295.2	297.4	294.6	296.2
Sept	293.0	295.2	292.4	294.0
Dec	291.6	294.4	291.6	293.6
March	299.0	301.4	299.0	301.4
May	305.0	308.0	305.0	307.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	78.56	79.40	77.80	79.32
March	77.70	78.97	77.05	78.80
May	78.50	79.35	77.70	79.17
July	77.77	78.45	77.00	78.17
August	75.82	76.05	74.80	76.10
Feb	66.65	67.15	66.20	67.00
March	65.50	66.15	65.40	65.85
May	66.50	66.50	66.50	66.50
July	66.50	66.50	66.50	66.50

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	597.0	603.6	597.0	601.2
May	612.4	619.0	612.0	615.4
July	626.2	632.0	626.0	629.2
August	629.4	635.0	629.4	633.0
Sept	630.0	638.4	630.0	634.0
Nov	639.0	645.4	638.4	643.6
Jan	652.0	657.0	651.0	656.6
March	666.0	669.4	666.4	670.0
May	677.0	678.0	677.0	681.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	179.5	180.5	179.0	179.6
May	183.3	184.5	182.8	183.8
July	187.0	188.0	186.5	187.3
August	188.0	189.2	187.7	188.6
Sept	188.6	189.5	188.6	189.9
Oct	190.5	191.5	190.1	191.5
Dec	194.5	195.5	194.0	194.9
Jan	197.0	197.5	195.5	197.0
March	200.5	201.0	200.0	201.0

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
March	17.34	17.59	17.33	17.55
May	17.76	18.02	17.76	17.98
July	18.17	18.43	18.17	18.37
August	18.37	18.56	18.35	18.50
Sept	18.58	18.75	18.50	18.70
Oct	18.65	18.90	18.65	18.87
Dec	18.93	19.15	18.93	19.12
Jan	19.15	19.40	19.15	19.30
March	19.75	19.75	19.42	19.46

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	346.4	352.4	346.0	350.6
May	358.2	363.4	358.2	361.0
July	366.0	371.4	366.0	368.0
Sept	375.4	381.0	376.4	377.4
Dec	391.4	396.6	391.4	393.0
March	404.0	410.0	404.0	405.0

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1982/83 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101¼	95¼	Treasury 12pc 1983‡‡	100⅜		—	—
100⅝	92⅞	Treasury 9½pc '83	99¼	+⅛	9 27	10 05
104⅝	96⅞	Exch 13½pc '83	102		13 24	10 60
101¼	91⅞	Exch 10pc 1983	99¾	+⅛	10 03	10 33
98¼	87⅝	Funding 5½pc '82-84‡‡	97		5.67	8.98
103¾	91⅞	Exch 11¼pc 1984	100¾xd	+⅛	11 15	10 26
107¼	96¼	Exchequer 14pc 1984	103⅞	–⅛	13 48	10 61
94½	81¼	Exch 3pc 1984	93⅞	+⅛	3 20	7 90
105¼	91½	Treasury 12pc 1984	102⅛	–⅛	11 76	10 54
112	96¼	Treasury 15pc 1985	107⅛xd	–⅛	14 01	11 01
112¼	89½	Exch 12pc Cnv '85	105xd	+⅛	11 43	9 33
91¼	73½	Treasury 3pc 1985	90⅛	+⅛	3.33	7 85
105½	87½	Treasury 11½pc 1985	101¼	+⅛	11 30	10 66
102	95½	Treas 8¾pc Cnv '85	99½	+⅛	8 79	8 95
107⅝	88⅝	Exch 12¼pc 1985	102⅞	–⅛	11.90	11.01
106⅝	86⅛	Exch 11¾pc '86	101⅞xd	+⅛	11 53	10.99
89½	69	Treasury 3pc 1986	87⅛	–⅛	3 44	7 54
107¼	86¼	Treasury 12pc '86	102¾	+⅛	11 68	10 97
100	80⅝	Treasury 8¼pc '84-86‡‡	96¼	+⅛	8 79	9 65
116¼	96⅞	Treas. 12¼pc '86 Cnv	108¼	+¼	11.32	9.37
114	91⅞	Exch 14pc 1986	108⅜	+⅛	12 93	11 17
112	90	Exch 13¼pc 1987	106⅞	+⅛	12 42	11 09
84	83⅜	Exchequer 2½pc 1987	83⅞		2.98	7 16
103½	95⅞	Exch 10½pc 1987	98⅛	+⅛	10 67	10.98
—	—	Ex 10½pc '87 A (£30pd)¤	E98½		10 66	10 95
93⅞	73⅞	Funding 6½pc '85-87‡‡	91	–¼	7 14	9.13
85¼	64½	Treasury 3pc 1987	84⅛	–⅛	3 56	7.14
109	85⅞	Treas. 12pc 1987	102⅞	–⅛	11 67	11.19
98	72½	Treasury 7¼pc '85-88‡‡	91¼		8 45	9 89
		Five to Fifteen Years				
102¼	95½	Exch 10½pc '88	100½	+½	10 76	11.10
81	60⅛	Transport 3pc '78-88	80	+⅛	3 77	7.71
99	91	Treas. 9½pc '88	95¼	+⅛	10.13	10.99
107⅞	79⅞	Treasury 11½pc 1989	99¾xd	+½	11.51	11.52
85⅝	62½	Treasury 5pc '86-89	80½	+¼	6 35	9.34
117¼	85⅞	Treasury 13pc 1990‡‡	107½	+½	12 22	11.63
112	85⅞	Exch. 12½pc 1990	102¼xd	+½	12.03	11 68
98¼	70⅛	Treasury 8¼pc '87-90‡‡	88⅞	+⅛	9.43	10.76
110¼	77⅞	Treasury 11¾pc 1991	101½	+½	11.71	11.68
84⅞	59¼	Funding 5¾pc '87-91‡‡	80	+¼	7 38	9.75
104⅛	76⅝	Exch. 11pc 1991	100½	+½	11.33	11.53
116⅞	81⅞	Treasury 12¾pc '92‡‡	107¼	+½	11.99	11.58
102¼	70	Treasury 10pc 1992	93¼xd	+½	10 71	11.18
112¼	80⅞	Exch. 12¼pc '92	103½xd	+½	11 84	11.65
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS & HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
64	15½	Inter-City 20p	39	–1	—	—	—	—
197	158	[illegible]	170	+7	u4.0	1.8	3.4	23.6
218	145	Jacksons Bourne	180	.....	5.0	3.1	4.0	11.7
32	19	James Inds. 10p	23½	–½	1.25	1.9	7.6	9.8
180	105	Wardine M H KS6	145	+1	t092c	2.9	6.2	7.0
*48	13	Jenks & Cattell	28	.....	21.0	—	5.1	—
308	187	Johnson Clnrs.	297	–3	♦17.7	2.3	3.7	16.5
340	227	Johnson Mthy. £1	320	.....	10.0	1.9	4.5	(24.0)
270	98	Johnson Grp. 10p	270	.....	4.0	6.2	2.1	10.7
92	60	Jourdan (T.) 10p	92	.....	5.25	0.6	8.2	(32.1)
48	35	Kalamazoo 10p	43	–1	2.5	0.9	8.6	18.6
175	135	Kelsey Inds.	175	.....	8.0	♦	6.5	♦
310	110	Kershaw (A.) 5p	130	.....	15.0	♦	17.7	♦
55	36	Kleen-E-Ze Hldgs.	44	.....	3.0	0.2	9.7	—
*66½	42½	L.C.P. Hlds.	59	.....	3.6	0.6	8.7	(34.5)
110	39½	L.R.C. Int. 10p	109	.....	t3.1	2.8	4.1	18.2
46	27	Lawtex	27	.....	—	—	—	—
440	277	Lep Group 10p	410	.....	17.5	1.7	6.1	(12.0)
37	22	Lilleshall 10p	22	.....	‡2.5	—	‡	—
700	99	Lon. & Liv. 10p	573	+18	†2.45	2.4	0.6	83.5
116	78	London & Mid'd	113	+1	7.75	1.1	9.8	(13.5)
62½	36	Lon. & Nthn. Grp.	61	+1	†3.75	2.1	8.8	6.5
43	23	♦Lon. Prov. Health	39	.....	—	—	—	19.5
10	3½	Long Hmbly. 10p	7½	.....	8—	—	—	—
65	36	Longton Inds.	61	.....	1.0	—	2.3	—
195	55	Low & Bonar 50p	88	.....	†7.0	0.6	11.4	(29.7)
27½	14	M.Y. Dart. 10p	24	+1	‡h1.21	—	‡	—
242	105	McCrthy Ph. 20p	170	.....	7.0	2.5	6.0	8.3
140	48	Macfarlane Gp.	139	.....	†h3.2	2.5	3.3	15.8
49	28	Maclellan 20p	46	.....	d1.43	1.4	4.4	(28.2)
86	40	Macpherson (D.)	63	+8	4.2	♦	9.9	♦
62	41	Magnolia Group	44	+1	2.3	3.9	7.5	4.5
133	57	Man. Ship Can. £1	127	–3	3.5	—	4.0	—
59	35	Marley	58	.....	2.25	1.5	5.5	(25.4)
51	29	Marling Ind. 10p	34	–1	1.08	6.7	4.5	3.5
49	25	Marshall L'xy "A"	25	.....	2.8	1.9	16.0	(4.0)
88	56	Marshall's Univ	56	.....	0.1	—	0.3	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE—Continued

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
18½	13	GRA Group 5p	15	.....	—	—	—	13.6
62	32	Grampian TVA 10p	46	–2	†3.25	3.0	10.1	3.7
172	107	HTV Non/Vtg.	151	+3	11.0	2.0	10.4	6.7
234	139	Horizon	200	–8	†h3.0	5.3	2.1	12.6
151	90½	Intasun 10p	128	.....	3.5	4.8	3.9	6.5
182	112	LWT "A"	159	.....	11.08	1.1	10.0	12.8
247	116	♦Leisure Inds.	230	–3	♦6.0	3.0	3.7	10.9
150	64	Leisuretime Int 10p	148	+1	0.9	2.8	0.9	50.6
132	80	Mngmt. Ag. M. 10p	127	.....	8.75	1.6	9.8	9.2
67	55	Medminster 10p	58	.....	4.0	0.8	9.9	18.2
275	90	♦Nimslo Int 20c.	110	+2	—	—	—	—
185	33	Norton & Wrt. 10p	75	.....	†u2.0	0.5	3.8	—
28	14	♦Owners Abroad	25¼	.....	u0.35	4.6	2.0	15.7
65	41	Photax (Lon.)	42	.....	‡3.5	3.8	‡	2.7
153	80	♦[illegible] 10p	125	–7	ud1.5	2.1	1.7	30.9
505	149	Pleasurama 5p	495	.....	7.5	♦	2.2	♦
113	88	♦Radio City "A" NV	113	.....	♦5.6	1.6	7.1	12.3
*160	82½	Riley Leisure 10p	148	–1	24.1	1.7	4.0	21.3
179	84	Saga Hols. 20p	104	.....	d3.73	—	5.1	—
440	125	Samuelson 20p	410	–10	M12.0	♦	4.3	♦
107	76	Scott. TV "A" 10p	97	.....	†7.0	3.8	10.3	3.6
62	21	♦SelecTV 10p	56	–2	—	—	—	—
18	13	TSW 5p	15½	.....	0.9	3.3	8.3	5.2
52	28	♦TVS N/Vtg 10p	38	.....	—	—	—	—
100	55	Trid'nt TV "A" 10p	79	+3	4.26	1.4	8.0	13.0
215	92	♥21st Century Dist	135	.....	—	—	—	—
27½	15	Webb (Jos.) 5p	20	–½	d0.51	2.2	3.6	(14.3)
93	69	Zetters 5p	82	.....	2.75	2.9	4.8	10.2

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
21	12	B.L. 50p	20	.....	—	—	—	—
62	38	♦Coleman Milne 10p	61	.....	u1.5	3.2	3.5	(9.8)
208	93	Gen. Mts. Units	203xd	.....	012c	—	3.7	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Garages and Distributors

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPER, PRINTING ADVERTISING

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS—Cont.

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc.

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS—Continued

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PLANTATIONS

Rubbers, Palm Oil

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Teas

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

Central Rand

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Eastern Rand

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Far West Rand

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Diamond and Platinum

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Australians

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Miscellaneous

For Burma see Southwest Res

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
135	27	♥Colby Res Corp.	125	...	—	—	—
485	170	Cons. Murch. 10c.	485	+5	‡060c	1.9	‡
8	1½	‡‡Explaura Gold	5½	...	—	—	—
155	55	♥Highwood Res	145	–2	—	—	—
£40½	£25	Homestake Mining $1	£39½	+⅛	040c	—	0.6
495	160	Northgate C$1	450	+5	—	—	—
552	344	R.T.Z.	545	...	16.0	1.6	4.2
£122	£84	[illegible]	£119	–1½	09½%	23.9	†6.4
33	11	♥Sabina Inds C$1	30	–3	—	—	—
17½	12½	♦Southwest Res 10p.	16	...	—	—	—
530	270	♥Tara Expln $1	475	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- || No par value

B.Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
Albany Inv. 20p.	49	.....	Exch. 15pc 1983	£100	
Bertrams	17¢	....	Nat. 9¾% 84/89	£82	+⅛
Bdg'wtr. Est. 50p.	485	....	Fin. 13% 97/02	£94⅛	..
Craig & Rose £1	£12½	.....	Alliance Gas	115	...
Finlay Pkg. 5p	31	.....	Arnott	187	.
Graig Ship. £1	£21	...	Carroll (P.J.)	82	
Higsons Brew.	105	.....	Concrete Prods.	48	
Holt (Jos) 25p	880	.	Heiton (Hldgs.)	15	+2
I.O.M. Stm. £1	98xd	.....	Ins. Corpn. Ireland	350	.
Pearce (C. H.)	£12	...	Irish Ropes	26	...
Peel Hldgs.	164	+2	Jacob	81	.....
			T.M.G.	90	.....
			Unidare	42	....

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	15	Utd. Drapery	7
Allied-Lyons	15	I.C.I.	24	Vickers	12
BOC Grp.	17	"Imps"	10	Woolworth Hld.	15
B.S.R.	6	I.C.L.	8		
Babcock	10	Ladbroke	16	**Property**	
Barclays Bank	35	Legal & Gen.	28	Brit. Land	7½
Beecham	35	Lex Service	16	Cap. Counties	12
Blue Circle	44	Lloyds Bank	35	Land Secs	26
Boots	22	"Lots"	4	MEPC	17
Bowaters	19	London Brick	11	Peachey	14
Brit. Aerospace	20	Lucas Inds	12	Samuel Props.	10
B.A.T.	50	"Mams"	12	Town & City	3
Brown (J.)	4	Mrks. & Spncr.	16		
Burton Ord.	24	Midland Bank	30	**Oils**	
Cadburys	11	N.E.I.	9	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	38	Burmah Oil	12
Debenhams	8½	P & O Dfd.	14	Charterhall	5
Distillers	20	Plessey	50	KCA	8
Dunlop	5½	Racal Elect.	45	Premier	4
Eagle Star	30	R.H.M.	6	Shell	35
F.N.F.C.	4	Rank Org. Ord.	15	Tricentrol	22
Gen. Accident	30	Reed Intnl.	26	Ultramar	42
Gen. Electric	24	Sears	9		
Glaxo	90	T.I.	13	**Mines**	
Grand Met.	25	Tesco	8	Charter Cons.	20
G.U.S. "A"	50	Thorn EMI	38	Cons. Gold	40
Guardian	35	Trust Houses	13	Lonrho	8
G.K.N.	15	Turner & Newall	4	Rio T. Zinc	42
Hawker Sidd.	30	Unilever	65		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 29

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases on interest rate hopes

The dollar lost ground in currency markets yesterday on renewed hopes of a cut in the U.S. discount rate. Much depends on today's testimony to Congress given by Federal Reserve chairman Paul Volcker with the market looking for a more relaxed monetary stance.

Sterling was slightly firmer overall, recovering against European currencies in the afternoon, but still looked rather fragile, having touched its lowest level for over three years against the D-mark during the day.

DOLLAR—Trade weighted index (Bank of England) 118.7 against 122.4 six months ago. The dollar is much stronger compared with levels at the start of the year as the expected fall in U.S. interest rates has failed to materialise. High Federal funding requirements have also kept rates firm although a softer trend has developed recently on speculation of an easing of monetary policy and signs of an economic recovery in the U.S.

The dollar closed at DM 2.4065 against the D-mark compared with DM 2.4155 on Monday and SwFr 1.9940 against SwFr 2.0085. It was also weaker against the yen at Y233.75 from Y235.0 and FFr 6.8250 from FFr 6.8425.

STERLING—Trading range against the dollar in 1982-83 is 1.9265 to 1.5150. January average 1.5735. Trade weighted index 80.8 against 80.8 at noon and 80.7 at the opening and compared with 80.7 on Monday and 90.9 six months ago. The pound is showing signs of stability after a period of extreme weakness caused by fears of lower world oil prices and uncertainty about an early general election. Although steadier at these lower levels sterling still appears vulnerable despite an encouraging look to economic fundamentals.

Sterling opened at $1.5450 and quickly rose to a best level of $1.5500. It hovered around $1.5475 for much of the day before late demand for the dollar in otherwise thin trading saw sterling slip back to finish at $1.5410-1.5420, a rise of just 30 points.

Against the D-mark it finished at DM 3.7125 from DM 3.7200 and SwFr 3.0750 compared with SwFr 3.0925. It was also down in terms of the yen at Y360.5 from Y361.75 and eased against the French franc to FFr 10.52 from FFr 10.53.

D-MARK — Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. January average 2.3900. Trade weighted index 128.5 against 124.4 six months ago. The D-mark has been unsettled in the run up to a March general election. Favourable trade figures and little hope of a cut in rates before March have helped to underpin the currency however and sentiment has been helped recently by a weakening of the U.S. dollar.

The dollar was fixed lower at yesterday's fixing in Frankfurt at DM 2.3953 compared with DM 2.4205. Sterling was also lower at DM 3.7120 from DM 3.7200 while the Swiss franc improved to DM 1.2060 from DM 1.2001. The dollar was above its worst levels, having opened very weak on renewed hopes of a cut in interest rates. The D-mark was also buoyed by expectations of a ruling by the courts to hold next month's general election and recent opinion pointing towards a Conservative victory.

SWISS FRANC—Trading range against the dollar in 1982-83 is 2.2360 to 1.7910. January average 2.0330. Trade weighted index 152.2 against 144.2 six months ago. The Swiss franc is a little firmer against the D-mark and has recently started to gain ground against the U.S. dollar. Its overall strength is underpinned by relatively low inflation and tight monetary policy.

The Swiss franc improved against the dollar in early trading in Zurich as the latter reacted to renewed hopes of lower interest rates. The dollar was quoted at SwFr 1.9830 down from SwFr 2.000. The D-mark was also weaker, slipping to SwFr 0.8287 from SwFr 0.8317½. Sterling eased to SwFr 3.0710 from SwFr 3.0908.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.0644	+0.21	+1.61	±1.5501
Danish Krone ...	8.23400	8.10347	−1.59	−0.19	±1.6430
German D-Mark	2.33379	2.28969	−1.89	−0.49	±1.0888
French Franc ...	6.61387	6.49137	−1.85	−0.45	±1.3940
Dutch Guilder ...	2.57971	2.52867	−1.98	−0.58	±1.5004
Irish Punt........	0.691011	0.689363	−0.24	+1.16	±1.6691
Italian Lira	1350.27	1318.75	−2.33	−1.49	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Feb. 15	£	$		£ Note Rates
Argentina Peso..	88,071-88,111	56,900-56,950	Austria..............	25.95-26.25
Australia Dollar..	1.5920-1.5940	1.0305-1.0310	Belgium..............	75.40-76.40
Brazil Cruzeiro..	441.81-442.81	285.11-286.54	Denmark..............	13.05-13.18
Finland Markka..	[illegible]	[illegible]	France..............	10.47-10.57
Greek Drachma..	[illegible]	[illegible]	Germany..............	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy..............	[illegible]
Iran Rial..........	[illegible]	[illegible]	Japan..............	360-365
Kuwait Dinar (KD)	0.449-0.450	0.2908-0.2909	Netherlands..............	4.08-4.12
Luxembourg Fr.	72.70-73.80	47.18-47.20	Norway..............	10.83-10.93
Malaysia Dollar..	[illegible]	[illegible]	Portugal..............	140-155
New Zealand Dlr.	[illegible]	[illegible]	Spain..............	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden..............	11.36-11.45
Singapore Dollar	[illegible]	[illegible]	Switzerland..............	3.06-3.09
Sth. African Rand	[illegible]	[illegible]	United States..............	1.54-1.56
U.A.E. Dirham....	[illegible]	[illegible]	Yugoslavia..............	111-115

*Selling rates.

CURRENCY MOVEMENTS

Feb. 15	Bank of England Index	Morgan Guaranty Change %
Sterling..............	80.8	−39.5
U.S. dollar..............	118.7	+9.9
Canadian dollar..............	90.1	−17.1
Austrian schilling..	120.6	+30.2
Belgian franc..............	94.1	−1.6
Danish kroner..............	84.0	−9.5
Deutsche mark..............	128.5	+54.6
Swiss franc..............	152.2	+107.7
Guilder..............	119.1	+27.2
French franc..............	74.5	−19.3
Lira..............	53.4	−58.3
Yen..............	146.4	+39.4

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.708341	0.617364
U.S. $	8½	1.09722	0.954754
Canadian $	9.76	*	1.16595
Austria Sch	4¾	18.4706	16.1067
Belgian F	11½	51.7230	45.0644
Danish Kr	10	9.33400	8.10347
D'mark	5	2.62817	2.28969
Guilder	4½	2.90324	2.52867
French F	9½	7.45896	6.49137
Lira	18	1516.89	1318.75
Yen	5½	256.640	223.362
Norwgn Kr	9	7.79443	6.71613
Spanish Pta	—	140.585	122.590
Swedish Kr	8	8.08980	7.04656
Swiss Fr	4½	2.17875	1.89996
Greek Dr'ch	20½	91.8887	79.8851

*CS/SDR rate for Feb 11: not available.

THE POUND SPOT AND FORWARD

Feb 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5400-1.5500	1.5410-1.5420	0.32-0.27c pm	2.30	0.73-0.68 pm	1.83
Canada	1.8850-1.8940	1.8860-1.8870	0.35-0.25c pm	1.91	0.77-0.67 pm	1.53
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	197.75-198.75	197.80-198.20	160-250c dis	−12.42	450-535 dis	−9.95
Italy	2131-2139	2133½-2135½	13-17lire dis	−8.43	56-61 dis	−10.96
Norway	10.85½-10.91½	10.86-10.87	1¼-2¼ore dis	−1.79	7¾-8½ dis	−2.90
France	10.49-10.53	10.51¼-10.52½	8-10c dis	−10.27	30½-32½ds	−11.98
Sweden	11.38-11.43	11.38¾-11.39¾	½ore pm-⅛ dis	0.13	1⅛-2½ dis	−0.72
Japan	359-363	360-361	1.45-1.25y pm	4.49	3.90-3.70 pm	4.22
Austria	25.95-26.15	25.97-26.02	11¼-9¼gro pm	4.96	33¼-28⅞ pm	4.82
Switz.	3.06-3.09	3.07-3.08	2½-1⅞c pm	8.29	6½-5⅞ pm	7.97

Belgian rate is for convertible francs. Financial franc 75 40-75 50. Six-month forward dollar 1.03-0.98c pm. 12-month 1.35-1.20c pm.

THE DOLLAR SPOT AND FORWARD

Feb 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5400-1.5500	1.5410-1.5420	0.32-0.27c pm	2.30	0.73-0.68 pm	1.83
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	128.15-128.70	128.60-128.70	130-180c dis	−14.50	385-435ds	−12.78
Italy	1378-1385½	1384½-1385½	12½-14lire dis	−11.50	44-46 dis	−13.02
Norway	7.0330-7.0550	7.0450-7.0550	1¾-2¼ore dis	−3.83	7¾-8¾ dis	−4.68
France	6.7750-6.8300	6.8225-6.8275	6½-7¼c dis	−12.14	22½-23½ds	−13.61
Sweden	7.3640-7.4000	7.3900-7.4000	1½-2ore dis	−2.85	4.30-4.80ds	−2.47
Japan	232.10-234.00	233.70-233.80	0.46-0.39y pm	2.18	1.47-1.37 pm	2.43
Austria	16.82-16.86½	16.84-16.85	4¼-3½gro pm	2.76	14-11½ pm	3.02
Switz.	1.9810-1.9950	1.9935-1.9945	1.02-0.97c pm	5.99	3.07-3.02 pm	6.11

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 48.90-49.00.

EXCHANGE CROSS RATES

Feb. 15	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.542	3.713	360.5	10.52	3.075	4.100	2135.	1.887	72.75
U.S. Dollar	0.649	1.	2.408	233.9	6.825	1.995	2.660	1385.	1.224	47.19
Deutschemark	0.269	0.415	1.	97.10	2.834	0.828	1.104	574.9	0.508	19.60
Japanese Yen 1,000	2.774	4.276	10.30	1000.	29.18	8.530	11.37	5921.	5.233	201.8
French Franc 10	0.951	1.465	3.529	342.7	10.	2.923	3.897	2029.	1.793	69.15
Swiss Franc	0.325	0.501	1.207	117.2	3.421	1.	1.333	694.1	0.613	23.66
Dutch Guilder	0.244	0.376	0.905	87.93	2.566	0.750	1.	520.6	0.460	17.74
Italian Lira 1,000	0.468	0.722	1.739	168.9	4.929	1.441	1.921	1000.	0.884	34.08
Canadian Dollar	0.530	0.817	1.968	191.1	5.576	1.630	2.173	1131.	1.	38.56
Belgian Franc 100	1.375	2.119	5.103	495.5	14.46	4.227	5.636	2934.	2.593	100.

FINANCIAL FUTURES

Gilts firm

Gilts prices rose strongly in the London International Financial Futures Exchange yesterday. Values tracked a firmer trend in the cash market where sentiment was improved by a weaker dollar and hopes of lower interest rates. Prices opened a little higher than anticipated with the March contract starting at 102-00 up from Monday's close of 101-14 and rising strongly in the first half hour. A best level of 102-22 was reached but a little profit taking and a pause for breath saw it ease back a little to finish at 102-14. Dealers noted a move into the June contract as positions were rolled forward and there was an encouraging June/September trade.

Euro-dollar prices opened higher but proceeded to trade in a narrow range. There was little incentive to trade ahead of today's testimony to Congress by Federal Reserve chairman Paul Volcker where a move to lower interest rates and a slightly more relaxed monetary stance is widely hoped for. Values were checked a little in the afternoon on a firmer Fed funds rate although this due mainly to payments being made after the recent bill auctions. The March contract closed at 90.86, unchanged from the opening and up slightly from Monday's close of 90.81.

Short sterling trading was confined mostly to the June position. Once again there was very little movement with the June price moving in a 9 point band before finishing at 89.90, unchanged from Monday.

While the steadiness of sterling has been a major factor behind the improved market sentiment, it still remains vulnerable

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
March	90.86	90.92	90.85	90.81
June	90.53	90.58	90.51	90.48
Sept	90.20	90.27	90.19	90.16
Dec	89.96	90.00	89.96	89.98
March	89.71	—	—	89.65

Volume 1,174 (1,744)
Previous day's open int. 3,065 (3,327)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

STERLING £25,000 $ per £

DEUTSCHE MARKS
DM 125,000 $ per DM

SWISS FRANCS
SwFr 125,000 $ per SwFr

JAPANESE YEN Y12.5m $ per Y100

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	74-08	74-22	74-02	74-11
June	73-19	74-00	73-12	73-21
Sept	73-00	73-13	72-27	73-03
Dec	72-19	72-31	72-14	72-22
March	72-07	72-21	72-05	72-12
June	71-31	72-10	71-31	72-04
Sept	71-25	72-03	71-25	71-30
Dec	71-20	71-31	71-20	71-25

U.S. TREASURY BILLS (IMM)
$1m points of 100%

CERT. DEPOSIT (IMM) $1m points of 100%

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

STERLING (IMM) $ per £

GNMA (CBT) 8% $100,000 32nds of 100%

MONEY MARKETS

UK rates slightly easier in places

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

UK interest rates were a little easier where changed yesterday. Sentiment remained bullish with continued hopes of a cut in bank base rates. The Bank of England kept its dealing rates at 11 per cent however when attending to a shortage of credit. In the interbank market overnight money opened at 11⅞-11½ per cent and rose to a high of 12¼ per cent before slipping away in the afternoon to 8 per cent.

The Bank forecast a shortage of around £550m initially with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills—£197m and Exchequer transactions —£300m. On the other hand there was a fall in the note circulation of £60m. The shortage was revised to £500m and the Bank gave assistance in the morning of £219m. This comprised purchases of £84m of eligible bank bills in band 1 (up to 14 days) at 11 per cent and £78m in band 2 (15-33 days) also at 11 per cent. In addition it arranged sale and repurchase agreements on £57m of bills at 11 per cent, unwinding on March 10.

The forecast was further revised to a shortage of £450m before taking into account the morning's operations and the Bank gave additional assistance in the afternoon of £232m, making a grand total of £451m.

The afternoon help comprised purchases of £16m of eligible bank bills in band 1 and £39m in band 2 all at 11 per cent and sale and repurchase agreements on £177m of bills at 11 1/16-11⅛ per cent, unwinding on February 22.

In Frankfurt call money was slightly firmer at 5.6-5.7 per cent as demand for funds increased on the first day after recent holiday celebrations. Overall liquidity remained ample however although tax payments due later in the week would lead to some tightening, sources suggested.

LONDON MONEY RATES

Feb. 15 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight......	—	8-12¼	—	—	—	11¼-11¾	10¾-11¼	—	—	—
2 days notice..	—	—	11⅛-11⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅜	—	—	—	—
7 days notice..	—	11⅛-11½	11¼	—	—	11⅛-11¾	11-11⅛	—	—	—
One month......	11 [illegible]	11⅛-11½	11¼	11⅞-11½	11⅜	11⅛	11	11-11 1/32	11 [illegible]	11 [illegible]
Two months	11 [illegible]	11 [illegible]-11⅛	11⅛	11¾-11⅜	11¼	11⅜	10⅞	10 [illegible]-10⅞	10 [illegible]-10⅞	11 [illegible]
Three months..	11 [illegible]	11 [illegible]	11	11⅝-11¼	11 [illegible]	—	10¾	10⅝-10¾	10 [illegible]	11 [illegible]
Six months	10 [illegible]	10 [illegible]	10¾	10⅞-10⅞	11	—	—	—	10 [illegible]	10 [illegible]
Nine months....	10 [illegible]	10 [illegible]	—	11⅛-10¾	10⅞	—	—	—	—	—
One year	10⅝-10 [illegible]	10 [illegible]	10¾	11-10⅝	10⅞	—	—	—	—	—
Two years	—	—	11	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11 per cent; four years 11¼ per cent; five years 11½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10⅝ per cent; four months trade bills 11⅛ per cent.

Approximate selling rate for one month Treasury bills 10 [illegible] per cent; two months 10¾-10 [illegible] per cent and three months 10½-10⅝ per cent. Approximate selling rate for one month bank bills 10 [illegible]-11 per cent; two months 10⅞ per cent and three months 10 [illegible] per cent; trade bills 11 [illegible] per cent; two months 11 [illegible] per cent and three months 11 [illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.6042 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11¼ per cent; one-three month 11¼ per cent; three-six-month 11 per cent; six-12-month 10¾ per cent. Under £100,000 10½ per cent from February 16. Deposits held under Series 3-5 11 per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 15	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling......	11⅝-11⅞	11⅝-11⅞	11 [illegible]-11½	11 [illegible]-11 [illegible]	10⅞-11	10 [illegible]-10 [illegible]
U.S. Dollar....	8¾-8⅞	8¾-9	8 [illegible]-9 [illegible]	9 [illegible]-9 [illegible]	9 [illegible]-9 [illegible]	9⅝-9⅞
Can. Dollar....	8-8½	8-8½	8⅞-9⅛	9⅛-9⅜	9⅜-9⅝	9⅞-10⅛
D. Guilder......	4⅞-5	4⅞-5	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	4 [illegible]-5 [illegible]	5¼-5⅜
S. Franc........	[illegible]-1⅛	1-1¼	2 [illegible]-2 [illegible]	2¾-2⅞	3 [illegible]-3 [illegible]	3⅝-3¾
Deutschm'rk..	5 [illegible]-5½	5 [illegible]-5½	5 [illegible]-5 [illegible]	5 [illegible]-5 [illegible]	5⅝-5¾	5¾-5⅞
Fr'nch Franc..	12½-13½	15-17	21½-22½	22¾-23¾	21¼-22	18⅝-19⅝
Italian Lira ..	16-17½	17-19	19¾-21⅛	21⅞-22⅞	21⅞-22½	21½-22⅛
Belg. Franc..						
Conv........	11-12	12-13	13½-14	14⅛-14⅝	14¼-14¾	13¼-13¾
Fin.	12-12¼	12⅛-12⅜	12⅛-12⅝	12¼-12½	12⅜-12⅝	12⅝-12⅝
Yen	6-6¼	6¼-6⅜	6½-6⅝	6⅝-6⅞	6½-6⅝	6⅝-6¾
D. Krone......	15⅛-16⅝	15½-17	17-18½	18½-20	18¼-19¾	17⅞-19⅜
Asia $ (Sing.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

FT LONDON INTERBANK FIXING
(11.00 a.m. FEBRUARY 15)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 1/16	offer 9 3/16	bid 9 5/16	offer 9 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime Rate	11
Fed funds (lunch-time)...	8¾-8⅞
Treasury bills (13-week)	8.21
Treasury bills (26-week)	8.34

GERMANY

Lombard	6.0
Overnight rate	5.65
One month	5.575
Three months	5.825
Six months	5.825

FRANCE

Intervention rate	12.5
Overnight rate	12.75
One month	12.8125
Three months	12.9375
Six months	12.8125

JAPAN

Discount rate	5.5
Call (unconditional)	6.65625
Bill discount (3-month)	6.84375

SWITZERLAND

Discount rate	4½
Overnight rate	½-1½
One month	2⅜-2⅝
Three months	2⅝-2⅞

NETHERLANDS

Discount rate	4½
Overnight rate	4⅞-5
One month	4⅞-5
Three months	4⅞-5
Six months	4⅞-5⅛

$ CERTIFICATES OF DEPOSIT

One month	8.65-8.75
Three months	8.80-8.90
Six months	9.10-9.20
One year	9.30-9.50

LONG TERM EURO $

Two years	10⅞-11⅛
Three years	11¼-11½
Four years	11½-11¾
Five years	11¾-12

SDR LINKED DEPOSITS

One month	9¼-9⅝
Three months	9⅝-10
Six months	9 [illegible]-9 [illegible]
One year	9⅝-10

ECU LINKED DEPOSITS

One month	11⅛-11½
Three months	11¾-12⅛
Six months	11⅞-11 [illegible]
One year	10⅞-11⅛

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued